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Japan's Plan To Rescue Economy Meets Doubts

\$85.4 Billion Package Is Deemed Insufficient For Buoyant Recovery

By Steven Brull TOKYO — Aiming to reverse the downward spiral in the stock market triggered by the falling Japanese economy, the government on Friday announced a financial rescue package of record proportions and predicted that the economy would return to robust growth within a year.

Private-sector economists were less optimistic, saying the government's predictions amounted to blatant cheerleading. Although the commitment to rectify problems in the financial system will provide an important psychological cushion, the additional spending will do little more than offset strong deflationary pressures, they said.

The package, with a larger-than-expected price tag of 10.7 trillion yen (\$85.4 billion), includes spending for public works as well as measures to support Japanese banks, whose exposure to tens of billions of dollars in bad real-estate loans has raised doubts about the soundness of the Japanese financial system.

A senior Finance Ministry official said the package would bolster Japan's gross national product by 2.4 percent over the 12 months starting in October, bringing the economy's trajectory close to the government's annual target of 3.5 percent growth.

Outside observers were skeptical. "It will keep the situation from getting worse, but it doesn't mean a strong recovery," said Richard Koo, senior economist at Nomura Research Institute. "But it does remove one very important uncertainty: that this economy might collapse."

The Tokyo stock market continued soaring, with the Nikkei index briefly piercing the 18,000 level for the first time since early June. With the gain of 415.79 points on Friday, to 17,970.79, the index has jumped 26 percent since Finance Minister Tsutomu Hata's announcement on Aug. 18 of measures to support Japanese banks.

Analysis said that the market's momentum, also fueled by speculation that the Bank of Japan may cut the discount rate as soon as Monday, would propel the index higher but that a correction was increasingly overdue.

"The market's displaying a hall of a recovery, which isn't going to happen," said Geoffrey Barker, economist at Daiwa Securities (Japan) Ltd.

The stock market ignored the latest sign of how a slowdown in consumer spending is having a chilling effect on capital investment and the broader economy. A slew of Japanese companies, including Nissan Motor Co., Toshiba Corp. and NEC Corp., announced downward revisions of previous profit forecasts.



LEAVING KABUL — A Russian jet at Kabul's airport Friday taxiing past another Russian airplane, obscured by smoke after rebels ignoring a temporary truce hit it with rocket fire. The jets were on a mission to evacuate embassy staff and families. More than 120 people were flown out, but the Russian envoy and about 50 others remained.

In Sarajevo, Peace Pact Triggers Fear, Not Hope

By Blaine Harden SARAJEVO, Bosnia-Herzegovina — One of the barbed lessons of a year of war in the former Yugoslavia is that peace deals provoke Serbian shelling.

The bigger and more illustrious international conference that comes up with a peace agreement, the more savage the hammering for non-Serb locals. The pattern was set last year in Croatia and it has held through five months of fighting in Bosnia-Herzegovina.

The London peace conference, the weightiest assemblage ever of diplomats trying to stop this war, came up late Thursday with a far-reaching framework for rolling back Serbian territorial gains in Bosnia. Serbian leaders agreed to close detention camps, put artillery under supervi-

sion and allow thousands more United Nations peacekeepers into Bosnia. They will be empowered to police borders and deliver food.

Then, true to form, the deal ignited a night and a day of artillery barrages. Hundreds of rounds from tank cannon and 155mm howitzers whistled down from the Serbian-held hills that ring Sarajevo. They tore gaping holes in a veterinary college, an iron works, a museum and scores of apartment buildings. Fires burned across the city by late Thursday. On Friday, more big shells ignited more columns of black smoke.

After a direct hit from a mortar shell, a plaster ceiling collapsed Friday on the head of Sijepan Klujic, a member of the Bosnian presidency, in the government's main office building. Mr. Klujic was unharmed, but the building —

the nerve center of the embattled Bosnian government — was choked all day with plaster dust.

As of Friday afternoon, 19 people were dead and 145 wounded in Sarajevo, according to the Bosnian Ministry of Health.

With electricity out for most of Sarajevo and supplies of batteries for radios running low, most residents heard the crack of shells and the strange crystalline rainfall of shattered glass before they were told that there was a new peace agreement to fear.

lost most of its windows, two classrooms and electronic equipment.

"There is no reason to shoot at this place. It is a scientific institution," said Dr. Nevejstic. He shook his head in disgust at news of the London accord.

"It has to be very obvious to the world what is happening, and yet nobody helps us. Of course, we need weapons to fight back or we need military intervention. I am very surprised that it is still necessary to have to explain this," Dr. Nevejstic said.

Days of Restraint Are Over, Rabin Tells Potential Foes

By David Hoffman JERUSALEM — Prime Minister Yitzhak Rabin warned Friday that Israel would respond quickly if threatened by missiles from Iraq or elsewhere and would not heed calls for restraint as it did during the Gulf War last year.

He also said Israel would not cooperate with a congressional investigation into charges that former President Ronald Reagan's campaign sought to manipulate the release of American hostages in Iran in 1980.

Mr. Rabin's remarks, in an interview with the Tel Aviv daily newspaper Ha'arets, came as Britain, France and the United States began enforcing an air exclusion zone in southern Iraq, raising fresh questions about the prospects of Israel becoming a target for a missile attack. Iraq launched 39 Scud missiles at Israel during the Gulf War.

Defense analysts said the concern had been heightened because the latest confrontation is the first real military challenge to President

Saddam Hussein since the end of the war. But Mr. Rabin said he believed that Iraq would not attack Israel and added that he had decided not to carry out emergency civil defense measures at home, such as distributing new gas masks, out of concern that it would disrupt Israel's tourism and economy.

He said he wanted to avoid putting the country into "a chemical warfare trauma."

Mr. Rabin was asked about Israel's deterrent against attack from Syria, which recently tested Scud missiles, as well as Iraq.

He said Israel wanted to make clear to Syria that "hitting the Israeli home front with conventional weapons will bring about a massive conventional attack on the cities of that same country."

Moreover, he said, Israel has reached the



A Somali carrying a meal of rice and beans as he left an aid post in Belet Uen on Friday.

Bush Sends Troops and Supplies for Storm Relief

Move Follows Criticism Of Federal Response to Devastation in Florida

MIAMI — The army airlifted troops and battlefield kitchens to Florida on Friday after angry hurricane victims said the government was not doing enough to help them in the aftermath of the costliest storm in American history.

About 4,500 U.S. troops and a steady flow of cargo planes led the federal relief effort in an area where 250,000 people were left homeless after the hurricane, designated Andrew, struck on Monday. Many thousands more were lacking electric power, water and transportation.

In Washington, President George Bush said that 7,000 federal troops were being deployed, mostly from Fort Bragg, North Carolina. He said that 1,000 Marines were on stand-by and that more troops could be provided.

Mr. Bush said he was also willing to put the Florida National Guard under federal control

The hurricane left at least 1 person in 10 without a home in the Miami area, Page 3.

If necessary, All 3,000 of Florida's National Guardsmen already are on duty.

Sounding defensive amid complaints that he was slow to react, the president said, "I'm satisfied that we responded properly."

"I'm not going to participate in the blame game," he said. "We're trying to help people."

"It never under any circumstances should have taken this long," said Kate Hale, director of the emergency management office in Dade County, which includes Miami. "There's been a lot of posturing."

"They are now doing what they're supposed to do," she said. "Yesterday was yesterday. It's unfortunate there was a problem, but now things are moving much better. We've had great cooperation since yesterday."

Mr. Bush ordered the relief effort Thursday night — three days after the storm struck — following loud complaints by Floridians, including Ms. Hale, that the government was lethargic. At the same time, he said he was canceling a weekend trip to Maine and a campaign trip next week so he could better monitor the situation.

Transportation Secretary Andrew Card, sent to Miami by Mr. Bush to coordinate the federal government's relief efforts, said Friday that local officials should stop "finger-pointing"

See DISASTER, Page 3

2 UN Observers Shot as Somalis Loot Aid Stocks

MOGADISHU, Somalia — As the U.S. airlift of food into Somalia began Friday, two United Nations military observers were wounded by Somali irregulars who attacked their vehicle here, and a fresh explosion of violence and looting broke out at Mogadishu port, where relief supplies were being unloaded for millions of famine-stricken Somalis.

Witnesses said several jeeps converged on the UN car in the southern sector of Mogadishu after it ignored orders to halt and opened fire, wounding an Egyptian colonel, Mustafa Sidiki, in the lung and grazing the head of a Czechoslovak major, Frantisek Petras.

Three Somali guards were killed. The car was fired on as it tried to speed away from a gunman who emerged from a parked van, signaled them to halt and shouted at them, a UN spokeswoman said.

"There is no question of saying it was mistaken identity," a source said. "The car was clearly marked, with a huge UN flag."

Fifty unarmed UN observers are monitoring a cease-fire between Mogadishu's two main clan factions, led by General Mohammed Farrah Aidid and Ali Mahdi Mohammed. The attack occurred in General Farrah Aidid's zone of the shattered capital.

At the port, a gang of armed Somalis with three tanks burst in Friday morning, looting relief food and commandeering at least 25 trucks meant to deliver aid, UN officials said. The raid was a blow to the international relief effort. The port is one of two usable for relief shipments.

In Belfast, Victim No. 3,000

BELFAST — A young athlete has become the 3,000th victim in Northern Ireland's political and sectarian violence since the modern "troubles" began in 1969.

Then, as a peace vigil began in Belfast to mark the fatality, a British soldier was shot and killed by a sniper Friday near the border town of Crossmaglen.

Less than 24 hours earlier, Hugh McKibbin, 19, had just finished playing in a Gaelic football game in the isolated hamlet of Hanahstown, overlooking West Belfast, when two gunmen boarded his team's bus.

They opened fire, killing Mr. McKibbin and wounding two teammates. Gaelic foot-

ball, which resembles rugby, is widely played in the Roman Catholic community.

Members of a faction of the Irish People's Liberation Organization, an extremist group riven by an internal feud, took responsibility for the shooting, Associates said Mr. McKibbin had been a fringe member of the group.

In addition to the 3,000 people who have died, 35,000 have been wounded in the effort by the Irish Republican Army and other groups to drive Britain from Northern Ireland.

"This is now the figure — 3,000 — but his death is no more or less horrible than any of the others," said Joe Henderson, the member of Parliament for West Belfast. "Another young man is dead."

Gray Hairs in France: Who'll Pay for a Longer-Lived Population?

ORANGE, France — The quiet world of France's elderly saw a quick skirmish at mid-morning when Marcel Roche announced that he liked his old age, his retirement, a bit of gardening and his sister-in-law's cooking and wine.

"I've worked since I was 12," said Mr. Roche, 78, a man of leisure who once laid bricks, bound brooms and tilled the land. "Enough is enough. I just want to be spending my pension. I don't want to do another stitch of work."

had worked much of his life as an accountant and who had also sought the shade of a park bench, away from the blast of the Mediterranean sun. "Retirement stinks," he snapped.

At 70, he was wearing shiny red shorts that matched his racing bicycle. He had to cycle, he said, to work off energy and frustration. "They forced me to retire at 62," Mr. Ouin said, as if it were the fault of Mr. Roche and other septuagenarians in the park in Orange, in southern France. "I'm fit to work today. I've still got years in me."

—illuminate a broad question facing France: what to do with a fast-graying population?

The question was revived this month when the government issued new statistics about who was going to pay for society's largest bills. The arithmetic is simple: While more people live longer and thus increase the cost of caring for the aging, fewer French are entering the job market and therefore fewer must carry the burdens of society.

less than two to one, and thus the current social security system cannot hold.

The message was sharpened recently when Laurent Cathala, state secretary for the family and the aged, said he would need an additional billion dollars a year to pay for pensions and health services for the elderly.

make a contribution to society. The challenge, many specialists say, is not how to finance but how to enrich and stimulate these longer lives.

People in France are asking whether society and the aging themselves are better off if people get more choice about when to retire and thus can make more use of valuable life and job experience.

Clinton Accuses Bush Of 'Raw Cynicism'

WACO, Texas — Governor Bill Clinton said Friday that President George Bush had "repeatedly misled" American voters about tax increases in Arkansas.

At issue is a Republican charge that Mr. Clinton has increased taxes 128 times as governor of the state. His angry attack came after The Boston Globe quoted an anonymous Bush aide as having said that the campaign knew the number was inaccurate but planned to keep using it because "it works."

The Clinton campaign said in a statement that "George Bush and the Republicans are intentionally lying to win the election," but the Democratic nominee stopped just short of personally calling the president a liar. Instead he called the tactic "raw cynicism."

See TOKYO, Page 13

Gray Hairs in France: Who'll Pay for a Longer-Lived Population?

By Marjorie Simons

FRANCE — The quiet world of France's elderly saw a quick skirmish at mid-morning when Marcel Roche announced that he liked his old age, his retirement, a bit of gardening and his sister-in-law's cooking and wine.

"I've worked since I was 12," said Mr. Roche, 78, a man of leisure who once laid bricks, bound brooms and tilled the land. "Enough is enough. I just want to be spending my pension. I don't want to do another stitch of work."

It was enough to infuriate Jean Ouin, who

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In 1970, France had three people holding a job for every retired person, the government said. In 1990, that had fallen to 2.3 people. A decade from now, it is predicted, the ratio will

See RETIRE, Page 5

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See TOKYO, Page 13



# CAMPAIGN '92 / ATTACKING BUSH'S TEAM

## ELECTION NOTES

### Bush Stomps on the Tassled-Loafer Set

WASHINGTON — After their convention, Republican strategists confirmed through a focus group what they had long suspected: President George Bush had found an effective theme with his attack on lawyers.

The attack in Mr. Bush's acceptance speech came in the form of a charge that Bill Clinton was supported "by every trial lawyer who ever wore a tassel loafer." According to several campaign sources, the anti-lawyer theme drew the most positive response of any struck in the 58-minute address. Since then, the assault has intensified.

On a swing through Ohio, Mr. Bush read from a fund-raising letter written by the president of the Arkansas Trial Lawyers Association, which praised Mr. Clinton for reversing himself on some "tort reform" legislation and for vetoing another bill after the trial lawyers "got on the horn" and voiced their views.

"I can never remember an occasion when he failed to do the right thing where we trial lawyers were concerned," wrote David Williams, a Little Rock lawyer, as he called on others to "dig down deep and give to Bill Clinton."

Seven Clinton contributors are among the first 20 names on a list of the best-paid plaintiff's trial lawyers compiled by Forbes magazine in 1989. Collectively, they gave \$4,250 to Mr. Clinton's presidential campaign, according to records filed with the Federal Election Commission.

But top corporate lawyers appear to have been even more generous to the president. Documents filed by the Bush campaign show \$7,000 in contributions from 6 of the top 20 corporate lawyers listed by Forbes. (WFP)

### Primary Election May be a Hurricane Victim

MIAMI — Officials of Dade County, which includes Miami, say they cannot stage a fair election in the wreckage left by the hurricane this week and will file a lawsuit to postpone next Tuesday's primary for one week. A U.S. Senate seat, the state's 23 U.S. House seats and state legislative offices are up for nomination.

The Metro-Dade Commission voted to ask a federal court to postpone the election, arguing that to hold it next week would effectively rob hurricane victims of their right to vote. One of every four registered voters in Dade County lives in areas heavily damaged by the hurricane, election officials estimate. Governor Lawton Chiles has declined to delay the primary, saying his legal advisers were not sure whether he had authority to do so.

The hurricane wrecked 62,000 homes in southern areas of the county and severely damaged or demolished 102 buildings that would have been used as polling places. (AP)

### A Ripple of Change in Bush Campaign Staff

WASHINGTON — In the first sign of what aides expect will be a broader shake-up of President George Bush's campaign organization, former Secretary of Commerce Robert A. Mosbacher gave up his title as "general campaign chairman" and became chief fundraiser for the Republican National Committee.

The change, which one official said was made over Mr. Mosbacher's objection, concentrates authority in the Bush campaign in the hands of two men: James A. Baker 3d, the White House chief of staff, and Robert M. Teeter, the campaign chairman.

Mr. Mosbacher, whose laid-back management had drawn complaints from other Republican operatives, protested when Mr. Bush and Mr. Baker informed him of the change at a White House meeting, a campaign official said. "You got me to leave the State Department," Mr. Baker reportedly replied — implying that Mr. Mosbacher, too, should be willing to sacrifice some prestige for the sake of the campaign.

Several campaign officials, speaking on condition of anonymity, said the move had been prompted partly by Mr. Baker's desire to streamline campaign management, and partly by the Republican National Committee's greater need for Mr. Mosbacher's fund-raising skills. (LAT)

### Quote-Unquote

Hillary Clinton, discussing attacks on her by prominent Republicans, including Marilyn Quayle: "I view it as a hit on working mothers. I view it as kind of an attack on what's happening in the lives of most Americans today, as we balance families and work responsibilities." (AP)

Mrs. Quayle, saying she had no apologies: "Not at all, because she should be taken seriously, and I think that is good." She said the attention being paid Mrs. Clinton was a compliment, "because they're talking about what she's done professionally and that's wonderful. That's a new threshold." (IHT)

### Away From the Hustings

● A federal judge announced that he would delay until next year the trial of four Los Angeles police officers charged with violating Rodney G. King's civil rights. Mr. King is the black motorist whose beating was videotaped by an amateur; the officers' acquittal on state charges prompted riots in Los Angeles and other cities in April.

● Senior executives of the worst-polluting U.S. companies live far from the industrial waste that their plants generate, according to a public interest group, Citizen Action.

● More than 11,000 fire fighters made progress against seven major wildfires burning over more than 364,000 acres of brush and timberland in California and Idaho.

● Governor William D. Schaefer of Maryland was admitted to the coronary care unit of a Baltimore hospital, according to a hospital source, but a spokeswoman for Mr. Schaefer said he had not had a heart attack.

● A federal appeals court has ruled that British and U.S. insurance companies may still lay claim to gold lost for more than a century in a ship that sank in a hurricane off South Carolina.

● More than 2 million tests for exposure to the human immunodeficiency virus, which causes AIDS, were performed at publicly funded sites last year, and 57,879 positive results were recorded.

● A nuclear reactor in LaSalle, Illinois, shut down automatically when a control room indicator reported that equipment was damaged, federal regulators said. Several other pieces of equipment malfunctioned after the shutdown, they said.

● William Hart, Detroit's former police chief, was sentenced to 10 years in prison for stealing \$2.34 million from a police fund. U.S. District Judge Paul Godek also ordered him to repay the money.

● Equipment used to check releases of radioactive waste into groundwater at the Hanford nuclear site in Yakima, Washington, is old and ineffective, endangering the Columbia River, a federal report says. (WP, LAT, OPL, AP, LAT)

## Daniel K. Ludwig, Shipping Magnate, Dies at 95

The Associated Press  
NEW YORK — Daniel K. Ludwig, 95, the son of a cargo ship captain who became one of the world's richest men, died Thursday at his home in Manhattan.

Mr. Ludwig owned about 60 oceangoing vessels at the height of his shipping career. In addition to his shipping interests, he invested in forest products, oil and gas, coal and other minerals, hotels, real estate and ranching and agriculture.

In recent years Mr. Ludwig devoted much of his attention to the Ludwig Institute for Cancer Research, which he founded in 1971. The institute has a staff of more than 500 scientists working in 10 offices in seven nations.

Mr. Ludwig was known as much for his aversion to publicity as for his great wealth. "He was a warm man with his friends," said R. Palmer Baker Jr., the executor of his estate, "but he just wasn't interested in what the outside world thought of him."

Forbes magazine estimated his fortune at \$1.2 billion last October. But Forbes, in its current issue, does not list him as one of the world's billionaires.

His companies built tankers for the government during World War II and got them back free after the war's end. He also built the world's first supertankers in Japanese shipyards.

In the 1960s and '70s, Mr. Ludwig lost a reported \$1 billion in an ambitious plan to produce wood pulp and rice along the Jari River in Brazil.

Daniel Gorenstein, 69, Theoretical Mathematician  
New York Times Service  
Daniel Gorenstein, 69, one of the world's foremost theoreticians in what may be the supreme example of abstract mathematics, died Wednesday at his summer home on Martha's Vineyard, in Massachusetts, after a brief illness.

Mr. Gorenstein was a professor



President George Bush, with a nonvoting citizen at a rally in Cincinnati, found he had his hands full.

## Clinton, Looking to History, Says, 'We Need You, Texas'

By B. Drummond Ayres Jr.

WACO, Texas — No Democrat has made it to the White House in this century without winning Texas, and Bill Clinton is going after Texas.

Sweeping from San Antonio to Austin and then Friday to Waco in a caravan of buses, the Democratic nominee relentlessly criticized President George Bush's economic policies in an effort to lock up the state's 32 electoral votes.

"We need you, Texas," he shouted time and again at rallies and impromptu stops at highway crossroads, accompanied by his running mate, Senator Al Gore of Tennessee.

Some polls indicate that Texas, which is Mr. Bush's official home and which has been fertile ground for Republicans in recent years, is a toss-up at this point. Like Mr. Clinton, the president has promised to fight strongly for Texas.

A Rice University poll, released the day before the Republican National Convention last week in Houston, gave Mr. Clinton a 17-point lead in Texas, but Republican officials say the gap has since narrowed.

"I think we've got an excellent chance to win this race," Mr. Clinton said Friday outside his hotel in Waco, "because of the needs of the people of Texas."

The sagging economy is the major contributor to Mr. Clinton's effort, but he has also been helped by the fact that he is the governor of a neighboring Southern state, Arkansas.

Mr. Clinton ribbed Mr. Bush for claiming his legal residence as Texas, where the president uses a Houston hotel as his address and owns a tiny plot of land.

"I want to tell you something, folks," he said. "I don't have a hotel room in Texas, and I don't have a

plot of land about the size of this platform. But my daddy was born here, and I have a lot of kinfolks here and I'm a whole lot more like you than he is."

He was working a rich lode and striking some pay dirt if the size of the crowd in Austin — 10,000 — and the resonance of his cheers — deafening — were reliable indicators.

Caught up in the enthusiasm of the partisan audience, Mr. Clinton cried out at the end of his speech, pointing toward a distant, heavily

gas production and getting more reliance on domestic production, by conservation and by less reliance on foreign oil. I support the space program. And I support new military technology."

Mr. Clinton also talked tough on crime as he picked up the endorsement of a statewide Texas law enforcement organization. He emphasized his support for capital punishment and his plan to add 100,000 police officers statewide.

"You ought to have someone who gives you more than hot air and rhetoric," he told the Combined Law Enforcement Associations of Texas.

Warming up the San Antonio crowd, Gary Mauro, the Texas land commissioner and also the chairman of the Clinton campaign in the state, said Mr. Clinton had come to Texas with one overriding message.

"We want jobs in Texas. We want jobs in Texas. We want jobs in Texas."

Playing a similar role at the start of the Austin rally, Governor Ann W. Richards said there was one overriding reason why the Clinton-Gore ticket would be victorious in the ticket.

"This is the worst economic situation in Texas in my lifetime — and I didn't get this hair of mine out of a bottle," she said. Her hair is white.

The latest Clinton-Gore bus caravan, the fourth since July 17, ends in Tyler, Texas. Campaign officials say Clinton poll-takers will go to work in the state early next week to assess the impact of the tour on voters.

"Then we'll figure out where we'll head next and how the resources will be spent," said Paul Tully, the national political director for the Democratic National Committee and an adviser to the Clinton campaign.

people's line of trees: "I ask you for your vote — you way back underneath that tree, and that tree and up to that tree."

Mr. Gore, looking out over the sea of upturned faces and brightly painted political placards, said: "This is an October crowd in August."

Texas has been hard hit economically not only by the national recession but also by a severe depression in its huge energy industry and cutbacks in military and space programs.

"There are lots of things that I want to do that will be good for Texas," Mr. Clinton said in San Antonio, enumerating the state's hardships during a rally.

"I'm going to revitalize the energy industry by emphasizing natural

## Quayle Widens 'Values' Stance, Saying Even Foes Have Them

By E. J. Dionne Jr. and Sandra Torry  
Washington Post Service

WASHINGTON — Vice President Dan Quayle responded to party campaign fears that the "family values" issue was misfiring on Republicans by defining it to cover almost all areas of domestic policy, including taxes, crime, education, housing and health care.

Mr. Quayle, who led the way on the issue earlier this year with attacks on the values of the nation's "cultural elite," significantly softened his tone in a meeting with reporters — even conceding that Democrats might be for family values, too.

"It's not whether you're for family values or against family values," he said Thursday. "Everybody is for family values. The difference we have with the Democrats is how we're going to approach this issue."

In his acceptance speech at the recent national convention, Mr. Quayle also listed practical things Republicans would do for families, but his tone toward the Democrats was more acrid.

"The gap between us and our opponents is a cultural divide," he said then. "It is not just a difference between conservative and liberal. It is a difference between fighting for what is right and refusing to see what is wrong."

Mr. Quayle accentuated the practical on Thursday. "How do we go about strengthening families?" he asked, and then catalogued the concerns he sees as coming under the family values umbrella.

"Take taxes, for example," Mr. Quayle said. "We think lower taxes strengthens families. It gives the families more money to spend. We think that strengthens families, not weakens families."

The Democrats "have a proposal that they're going to raise taxes. We think that's not going to strengthen families."

"Look at education," Mr. Quayle said, noting that the Republicans favored helping parents who wanted to send their children to private schools.

Family values, he said, also included President George Bush's initiatives to help people buy homes. "We want to empower people to have home ownership," he said. "We feel that will strengthen families, not weaken families."

"We have a tough crime bill on Capitol Hill that will make our streets safer, make our neighborhoods safer," the vice president said. "We again think that strengthens families."

Finally, there was health care. "We have a voucher-type of approach where people will go out and purchase health care," Mr. Quayle said.

The Democrats "have a government ap-

proach," he said, adding, "we think that our voucher approach strengthens families and that theirs will not."

The sudden, sharp redefinition of family values reflects in two quarters of the Bush campaign over how the Republican convention's hard-edged approach to moral issues was affecting voters' opinions.

Cultural conservatives such as William J. Bennett, the secretary of education, fear that slashing attacks on the Democrats might simply discredit a cause that the Republicans hold dear. And poll-watchers in the Bush camp fear that too heavy an emphasis on moral issues will turn off centrist voters whose prime worries are economic.

## Among Homeless in Miami, Only Real Emergencies Count

By Larry Rohter  
New York Times Service

MIAMI — It is a figure that suggests the imagination: At least 1 of every 10 of the 2 million residents of Miami and its southern suburbs was left without a home by the hurricane that struck here Monday.

With the storm gone and the authorities occupied with cleaning up debris and delivering food and water, the many homeless are now searching, desperately and largely without help, for places to live.

In the working-class suburb of Princeton, south of Miami, for instance, more than 40 members of the Soto family have been crowded into the four-bedroom home of the family patriarch, Jose Soto, since Monday. Over the years, nine of Mr. Soto's children, their spouses and 23 of his grandchildren have built or bought homes within blocks of his house, all of which are now destroyed.

"We're all of us looking for places to live, but we just don't know where to go for help," Nelly Soto said as she hauled ice from her car into her father's house, which was left without electricity or potable water. "Of course, we would like to rent a house or an apartment somewhere, but how do you do that at a time like this?"

In the long run, the destruction the hurricane inflicted on Dade County, which includes about 30 municipalities, is expected to lead to a temporary construction and employment boost. Kate Hale, the director of emergency services for the county, estimated that at least 63,000 single-family homes and apartment buildings have been destroyed.

But for the moment, thousands of families of every economic class and ethnic background share the Sotos' concern and confusion. If nothing else, the storm was indiscriminate in its wrath, displacing a few millionaires owners of mansions in the Coconut section of Coral Gables as well as many migrant farm workers living in trailer parks in Homestead and Florida City.

Insurance claims adjusters have descended on Dade County, trying to find homeowners who need cash for emergency supplies and new housing. But the dire conditions here are making it hard for adjusters and customers to find each other, and the checks that are being written are hard to cash because so few banks have reopened.

Carlos Vargas, a Homestead resident who works for the state welfare agency and whose own trailer was destroyed by the hurricane,

said he has seen newly homeless people wandering the streets in a daze, with nowhere to go and no idea of where to seek help.

Those without friends or relatives to turn to, he said, "are either moving into abandoned buildings or taking shelter in construction sites where you see them between the exposed beams."

Ann Jones, a 43-year-old customer relations officer at a travel company that sells real estate time shares, was forced out of the three-bedroom house she owns when the storm leveled everything except the kitchen. She and her two children are staying with friends.

"I'm a working single parent who lives from paycheck to paycheck, and I paid the mortgage just before the storm hit," she said. "When I get back to work, I'll get a paycheck, but I don't have the money to the bank right now to pay first, last and security" for temporary rental quarters, as most landlords here require.

Ms. Jones said she had been left homeless by a hurricane once before. While living in her native Mississippi in 1969, she lost her house but was helped by a government relief effort that she recalls as swifter than the current one.

## Mars Observer Delayed by Contamination

New York Times Service

NEW YORK — A U.S. spacecraft being prepared for launching to Mars is seriously contaminated with metal filings, paint chips and other trash and will not be able to begin its journey on schedule, the National Aeronautics and Space Administration said.

The contamination may have been introduced from a supply of impure titanium when technicians were trying to protect the spacecraft from the hurricane that struck Florida this week.

The problem with the Mars Observer was discovered in a routine inspection Tuesday night at the Kennedy Space Center at Cape Canaveral, Florida.

The mission, the first to Mars by a U.S. craft since 1975, had been scheduled for launching on Sept. 16. If the spacecraft is not launched by Oct. 13, it faces a 26-month delay, until the Earth and Mars are again properly aligned. A spokesman for the Jet Propulsion Laboratory in Pasadena, California, which is directing the mission, said officials were estimating a postponement of at least 10 days.

## DISASTER: Bush Sends Relief

(Continued from page 1)

and get out with the job of helping the victims.

The Pentagon said 20 mobile kitchens, each able to feed 300 people every two hours, were sent, along with medical supplies, generators, packaged meals, tents, cots and water. Much of the aid was flown to Homestead Air Force Base, southwest of Miami. The base and the town of Homestead nearby were heavily damaged in the storm.

Military specialists in communications, maintenance, engineering and transportation also were dispatched.

"I think it's great to be here. People are in need," said Captain Conrad Morgan. He was one of 70 soldiers who arrived on the first cargo plane that landed at Homestead shortly before 5 A.M.

Relief officials said there were plenty of donations of food and water but severe problems in distributing them to those in need.

In some cases, relief workers were unable to reach hard-hit areas. Other efforts to deliver aid were blocked by downed trees and power lines. Distribution points ran out of food before everyone in line could be served.

"This thing just got overwhelmed," said Governor Lawton

Chiles, who requested federal help. "The right hand has got to know what the left hand is doing."

The government estimated it would cost \$20 billion to \$30 billion to clean up and rebuild in Florida and care for residents displaced by the storm, which went on to strike a second, less severe blow in Louisiana, Mississippi and Texas on Wednesday.

The hurricane destroyed 63,000 homes in South Florida.

Private relief continued to flow into the region. The Red Cross said it was housing 45,000 people in 206 shelters in Mississippi, Louisiana and Texas, and had 22 shelters with 39,000 people in Florida.

The hurricane was directly responsible for at least 13 deaths in South Florida, officials said. It also killed four people in the Bahamas and one person in Louisiana. Officials in Florida and Louisiana listed 11 other deaths as indirectly related to the storm.

As of Thursday night, Dade County officials reported 229 arrests for curfew violations, 101 for looting and 41 for other offenses.

About 400,000 homes and businesses remained without electricity, and Florida Power & Light said it could be weeks before power was restored completely. (AP, Reuters)

On September 4th, the IHT will publish a Special Report on

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INTERNATIONAL Herald Tribune

No to the No-Fly Zone

American, British and French warplanes have begun roaring across southern Iraq to enforce a "no-fly zone." It is a dramatic new step against Saddam Hussein but the purpose is unclear, probably unwise and maybe even illegal.

On what authority does he proceed? Every U.S. military move against Iraq so far has been explicitly authorized by UN resolutions. To justify the no-fly zone, the White House cites Resolution 688, demanding that Iraq halt repression and authorize continued monitoring of human rights issues.

The Villain Is Paralysis

Acting Secretary of State Lawrence Eagleburger says that unless Serbs halt their "ethnic cleansing" policy, Serbia faces "a spectacular bleak future." The London conference in effect endorsed this ultimatum. But it is not good enough. Serbs continue to commit atrocities in Bosnia and to cement their hold on conquered territory.

U.S. Credits for Russia

With a series of loans for industrial equipment and computers, the U.S. government's Export-Import Bank has begun to guarantee credits to Russia. It would be better if more of the American aid were direct grants and less were commercial loans, but it is clear that there is not going to be any Marshall Plan for the former Soviets.

Untie the Kurils Knot

A dispute over four islands, lingering legacies of the Cold War, threatens Japanese-Russian relations and an infusion of much-needed Japanese capital to the Russian economy. Both proud nations need to reach some accommodation and begin to close the books on their past when President Boris Yeltsin visits Tokyo in two weeks.

Use UN Firebreaks To Contain the War

By Flora Lewis

PARIS — The one thing Bosnia, Croats and Serbs in Bosnia seem to agree about is dislike of United Nations forces. Each thinks the effect of intervention has been to help the other side. Unless such massive outside force as to be overwhelming were sent, that means military action intended to cow the belligerents would probably induce all of them to renege foreign troops as the prime enemy, to be attacked and got out of the way so they can pursue their own fight.

For all the rightfully indignant rhetoric about undoing the barbaric war in Europe, there is no way the status quo ante can be restored in Yugoslavia, not only the shattered federal state but the bloated demographic map of the republics. The dead are dead. Not many of the refugees and expelled will be able to go home and restore normal lives among neighbors they have learned to fear and hate.

So the organizers of the London conference this week were sensible in setting modest goals, launching some kind of negotiations in hopes of tamping down the war. The war almost surely could have been averted by energetic and determined international intervention until late spring 1991, with political and economic carrots and sticks and perhaps some interposing force before the shooting started. But America opted out, and the Europeans eluded and assured rivals they would endorse any settlement reached among Yugoslavs.

There never was any chance for such a spontaneous accord. The leaders would not, probably couldn't have made the necessary concessions of their nationalist demands except on evidence that tremendous outside pressure left no viable alternative but devastating isolation. I favored strong action, before Croatia and Slovenia declared independence and then, when it was too late to contact a political Yugoslav solution, before the perfectly foreseeable disaster hit Bosnia.

Fevered arguments are made now about punishing aggression and massacre. The focus must be on deterring them. Now I oppose fanciful scenarios about surgical air strikes and military corridors. It would be like put-

ting up storm shutters in devastated Miami as Hurricane Andrew roared into Louisiana. The places to think about introducing protective force are Kosovo and Macedonia, key points in Yugoslavia. The path of the storm can be charted; there's not much use following behind. It is right to be concerned about principles and precedents. Sufficiently similar ethnic antagonisms exist in the Balkan states, in the Caucasus, even in areas of Central Europe to fear the Yugoslav tragedy will be replicated ad nauseam if indifference, ineptitude and impotence can be relied upon as the international response.

But it must be met early warning. Afterwards, the options are about damage control. The powers have not sorted out their positions on what to do when the principles of sovereignty, integrity and self-determination conflict, as is happening increasingly with the resurgence of nationalism. So they must decide case by case, in light of critical circumstances. The world can't wait for scholarly, judicial consensus.

There are some key facts about the Bosnian case which must be acknowledged despite the heart-rending spectacle of brutality.

Humanitarian aid will not stop the conflict, which is about control of territory. The Bosnian Muslim leaders want military support to break the siege of their cities.

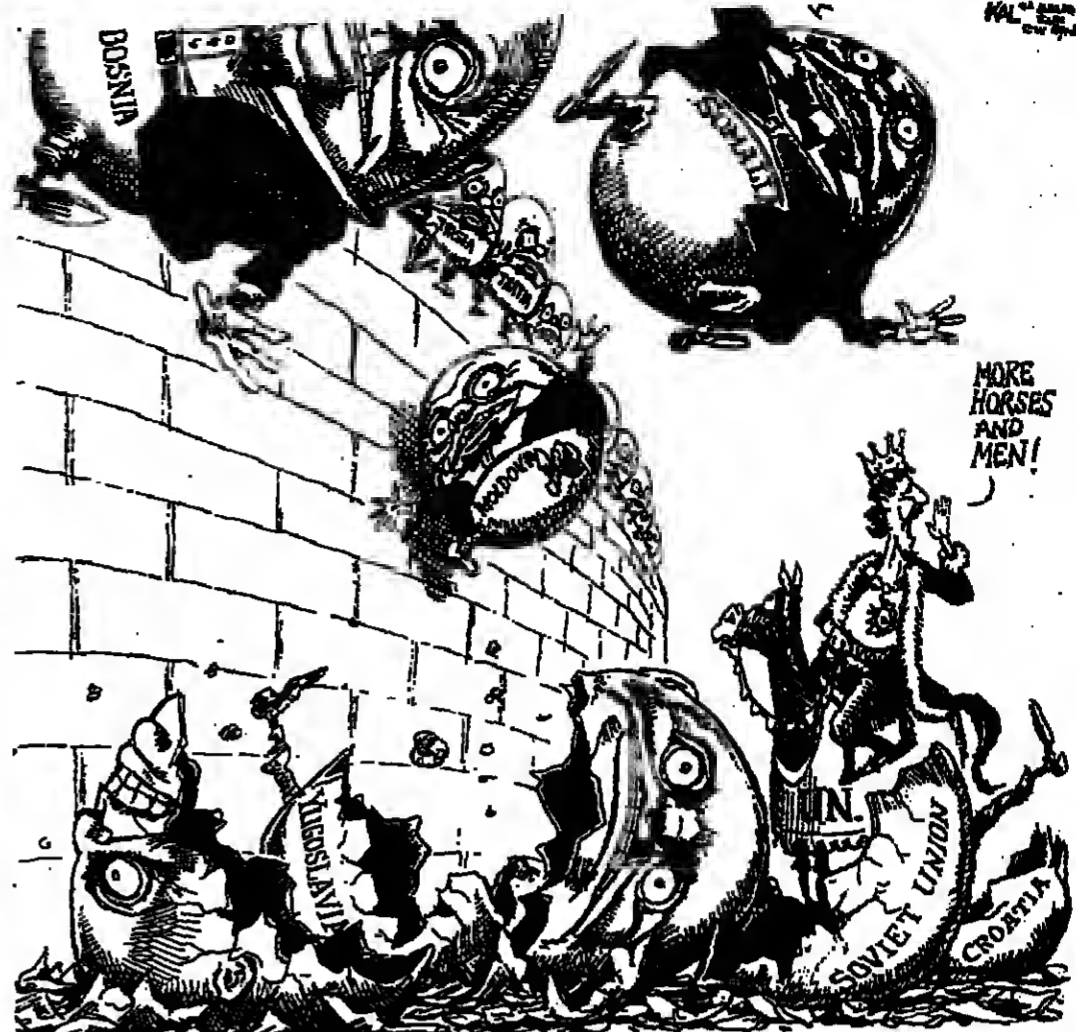
Evacuating refugees saves lives but promotes the revolting idea of "ethnic cleansing," that is, demographic territorial control.

Bosnian Serbs and Croats want to carve up the land and add their areas to their ethnic republics.

Certainly, reports of wanton executions and mistreatment of prisoners must be investigated, and the people removed to safety. This can be done. Sanctions can be tightened. Floods of international opprobrium should be recorded to give pause to those who may still be open to moral reflection and thought of the future. But the war cannot be defeated and the borders restored by a bigger war.

The public is understandably disgusted and wants world leaders to "do something." So far, that has brought meetings and charade sanctions, a kind of international face-saving that saves little, but not the forward-looking precautions to head off the next chapter of tragedy.

OPINION



American Silence Encouraged Serbia

By Anthony Lewis

NEW YORK — The Serbian onslaught in what was Yugoslavia differs in many ways from the Iraqi occupation of Kuwait two years ago. But the two murderous aggressions have at least one element in common. Both were encouraged by the diplomacy of the Bush administration.

Everyone remembers what Saddam Hussein took as a green light for his attack. A week before he moved, the U.S. ambassador to Baghdad, April Glaspie, told him that the United States had "no opinion on the Arab-Arab conflicts like your border disagreement with Kuwait."

maintaining "unity" by violence. And that silence was crucial. Charles Gati, a specialist on Eastern Europe, writes in the current issue of Foreign Affairs that the Bush position was interpreted by the Serbian leadership "as a green light to make Croatia stay within a united Yugoslav federation." There followed brutal Serbian military at-

Just last month, Mr. Bush dismissed the horror in Bosnia as 'a hiccup.'

tacks on Vukovar, Dubrovnik and other parts of Croatia. From there the Serbs moved on to aggression in Bosnia.

"If the United States had done in mid-1991 as it is doing in mid-1992," Mr. Gati writes, "the Serbians in Belgrade and Bosnia-Herzegovina might well have been deterred from proceeding as they have."

The same point was made recently by The Economist of London in an extended treatment of the Bosnian tragedy. It criticized both the Bush administration and West European governments for not warning the Serbian leader, Slobodan Milosevic, early on against aggression.

"The sooner one stands up to a bully," it said, "the less force it takes." The best account of the diplomatic record is a piece by John Newhouse in The New Yorker, rich in detail and sharp in analysis. He again faults the United States and its European allies for their diplomacy in Yugoslavia.

"The key Western governments flouted some first principles of statecraft," Mr. Newhouse says. For one thing, they "made clear what they wouldn't do in Yugoslavia" — use force — "thereby surrendering the heavy advantage of ambiguity."

Even after Yugoslavia unmistakably ceased to exist, and Serbian violence became flagrant, the Bush administration's response was feeble. Its hallmarks, in Mr. Newhouse's words, were "passivity and uncertainty." Just last month, Mr. Bush dismissed the horror in Bosnia as "a hiccup."

America's voice was the one that could have made the difference. If the Bush administration had told Mr. Milosevic at the beginning that violence would not be tolerated, I am convinced that he would have kept his guns silent.

If America had moved U.S. ships in the Mediterranean when the Serbs shelled Dubrovnik last fall, or when they shot down a European Community helicopter, I think they would have pulled back.

But Mr. Bush did essentially nothing — until Governor Bill Clinton called for armed protection of relief operations, to be authorized by the United Nations. The president's spokesman, Martin Fitzwater, called that idea "reckless." Then President Bush adopted it.

Success in U.S. foreign policy — real success — lies in preventing war by making clear that there would be a strong response. That is where presidents succeeded throughout the Cold War. It is where George Bush failed in Iraq and Yugoslavia.

The Washington Post. The New York Times.

Europe: Summer's Battles Presage a Perilous Fall

By William Pfaff

PARIS — Nineteen ninety-two threatens to become the year of Europe's destruction. January 1993 will bring a single European market. By then there may well have been a collapse of the European Community's plans for monetary union and more political and security integration.

The next four weeks will be decisive. On Sept. 20 the French vote in a referendum to accept or reject the Maastricht treaty on further European union. If they vote "no" — and they may — the unification program is finished.

Technically, the Danish public's rejection of the treaty earlier this year made its ratification by the other 11 members of the European Community irrelevant. The ratification effort has continued, however, on the assumption that the Danes could be persuaded to reconsider. A French rejection would scuttle the affair.

Furthermore, it will be clear within days whether the London conference on ruined Yugoslavia has served any purpose. If it proves to have been a cynical exercise by the principal European governments and the United States, obfuscating the political and human issues at stake and producing no positive result, the plan for European political union proposed in the Maastricht agreement will be discredited. The Community will have shown its political incapacity.

The outlook is very bad because both these developments were unforeseen. Yugoslavia's plight is a major factor in the French popular reaction against the Maastricht treaty. The public can see that the Community's existence actually encouraged the individual governments to do little or nothing, shifting the responsibility for any serious action to the Community.

The Community in turn did little because the member governments could not agree on much beyond Lord Carrington's useless peace conferences. Thus, the Community passed the buck to

the United Nations. So much for a common European foreign and security policy. The problem was not that a mechanism for agreement was lacking, which Maastricht is supposed to supply in the future. There are plenty of telephones in Europe's foreign offices and embassies.

The problem is simply that the 12 Community members see things differently. Signing the Maastricht treaty will not change that. It will make the situation worse because it introduces a principle of unanimity on major decisions, which is a formula for permanent stalemate. Today, there is nothing to stop Paris or London or Bonn from taking matters into their own hands, had they a will to do so — which they do not.

The French voter recognizes this. It reinforces his or her natural reluctance to approve the surrender of sovereignty implied in the treaty, which is of a scale still unclear. The treaty's language is obscure, the result of a great many compromises. The sovereign principle is that of subsidiarity: that decisions will be taken in the new Community at the lowest level. The meaning of this would have to be worked out in practice.

A few months ago, most voters in France would probably have assumed that good will and good sense would solve the problems the treaty presented. In the atmosphere of European impotence and vulnerability, created by the Yugoslav crisis and the failure to do anything about it, many French are no longer willing to take on faith the Community's positive evolution.

Not are many other Europeans. British skepticism about Maastricht is well known. In Germany there is much hostility to the Deutsche mark's proposed replacement by a single European currency. Germany is where a great many of the

more than 2 million refugees created by Serbian and Croatian aggression long to go.

Yet there is a social upheaval in that country over the huge inflow of economic refugees already there, leading to political persecution. The city of Rostock has seen rioting and burning night after night for just that reason. And while Romanians and Vietnamese can eventually be sent home as unqualified for political refuge, there is no mistaking the persecution of the people driven from their homes in what used to be Yugoslavia.

French internal politics also is a factor in the referendum vote. President Francois Mitterrand unwisely chose to ask for this referendum, thinking the "yes" vote an easy winner, the opposition open to division on the issue, and a positive result easily interpreted as an endorsement for him.

The opposition indeed has divided, but the latest polls show the "no" vote marginally ahead, with the most important single motive for voting "no" hostility to Mr. Mitterrand and his government. Mitterrand supporters and conservative defenders of Europe now are allied in trying to persuade voters to save their opinions on the government until next year's legislative election.

But if they vote "no," the shock for Europe will be profound. France and Germany made Europe. If France now blocks this new program of European construction, the confidence of Europeans in the future of the Community will be devastated.

In the spring all this would have seemed implausible. One could have confidently said the French would never vote "no." In the end perhaps they will not. France has invested more in Europe's creation than any country except Germany. But whatever the vote, Europe knows a grave crisis, and successful aggression in Yugoslavia is the cause of it.

International Herald Tribune. Los Angeles Times Syndicate.

Bush Hikes the Volume on a Supply-Side Swan Song

By Hobart Rowen

WASHINGTON — When George Bush told the television interviewer David Frost last December "I will do what I have to do to be re-elected," Americans could not be quite sure that he meant that literally. Now we know that "what I have to do" is pretty inclusive. On the economic front, it means that the president has become a master pianist.

For years Mr. Bush castigated supply-side economics. In 1989 he called it "woodoo." But at the Republican convention he pledged an "across the board" tax cut, convincing financial markets around the world that he had totally abandoned any commitment to reducing a \$400 billion deficit.

That is the primary reason — extraordinarily high interest rates in Germany are another — for the spectacular plunge of the dollar.

"I'm frightened," says the New York investment banker Felix Rohatyn. "If the dollar goes into a free fall, [Alan] Greenspan will have to raise interest rates, because if the dollar goes down, stock and bond prices will go down, too, and we may have another October 1987" market collapse.

Never mind that a depressed dollar will boost the price of imports, discourage foreign investment and make it tougher to finance the deficit: Mr. Bush focuses on the prospect that a cheap dollar can boost exports — the one part of the economy that has remained positive in the past few years.

He wants to turn America into "an export superpower," no matter the restraining effect that this might have

on the economies of its allies. So whatever happened to international economic cooperation (which used to be James Baker's strong suit)? The cynical attitude at the White House: Forget it, this is an election year.

Technically, Mr. Bush did not buy the full supply-side philosophy, because he coupled his across-the-board tax cut proposal with a vague promise that it would be matched with across-the-board budget reductions. But so one, including the supply-siders, considers that realistic.

The former Reagan adviser Jude Wanniski, one of the inventors of supply-side theory, said Mr. Bush cannot "wait for room in the budget that would come from spending cuts — that's not a realistic scenario." He continued: "What we're hoping is that with Jim Baker now in charge, the Bush acceptance speech is the last gasp of the old guard," including Treasury Secretary Nicholas Brady and Budget Director Richard Darman. Mr. Wanniski sees Mr. Baker and Robert Zoellick "pulling Bush in a new Reaganesque direction."

Mr. Wanniski sees the future clearly. Go back to Mr. Baker's swan song at the State Department on Aug. 13. He touted all of the supply-side code language, including "a conservative agenda" and deregulation that would "build on the fundamentals of lower tax rates, limits on government spending... that can unleash tremendous private initiative and growth."

After months of slamming Bill Clinton's proposals for new job training programs, Mr. Bush laid out a five-year, \$10 billion job training program of his own. But where Mr. Clinton would pay for his job training program out of cuts in defense spending, Mr. Bush offered no clue where his \$10 billion would come from.

Such a job training program is needed, but it is Mr. Bush genuinely behind it? Plainly, this was a political response to Mr. Clinton's charge that a free trade agreement with Mexico is almost certain to cause job losses in the industrial Midwest — and Mr. Bush desperately needs to win some of those states.

Like Mr. Bush, Mr. Clinton has relegated deficit reduction to the back burner. But Mr. Clinton's top priorities are to rechannel military spending into public investments designed to stimulate economic growth, and to boost private investment with a series of targeted tax incentives.

Mr. Bush's top priorities are the across-the-board tax cut and a capital gains tax reduction in the hope of stimulating the private sector. He ignores the public sector — except when politics intervenes, as in the case of the \$10 billion job program.

Mr. Bush's go-for-broke, almost manic re-election drive gained force and recklessness on the stump in the first few post-convention days. His rhetoric promises to get more bitter, his detachment from economic reality more pronounced, if he continues to run behind in the polls. Whatever it takes "to be re-elected."

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: The Tariff Issue

NEW YORK — In his first speech of the campaign at his home, Bloomington, Ill., last night (Aug. 27), Mr. Stevenson, the Democratic candidate for the Vice-Presidency, devoted himself to the Tariff, which he declared was the all-important issue. He showed how Protection was a delusion. The World, commenting this morning editorially on Mr. Stevenson's address, says that in declaring the Tariff the all-important issue he is right. It is either a foolish or a false Democrat who would make it a subordinate issue.

1917: American Heroics

PARIS — Another chapter in the history of marvellous single-handed captures in the war has been added by Richard Allen Blount, twenty-three years old, an American fighting in the French Foreign Legion, who last week brought into camp unaided thirty Prussian prisoners. The boy was slightly wounded in his

encounter with the enemy. Brief word of the young American's exploit reached Paris yesterday (Aug. 29), when he wrote a modest little note to his father, Mr. Richard E. Blount, the drug manufacturer.

1942: Stalingrad Assault

MOSCOW — [From our New York edition:] German assault troops have broken into the Russian defenses north-west of Stalingrad, a Soviet war communique announced today (Aug. 29), and tens of thousands of Stalingrad workers were reported rushing out to battle them while German divebombers attempted to blast the city to ruins. Although the Russians gave way at one critical point northwest of the city, they counter-attacked at another place near by and managed to dislodge the enemy from one large locality, the midnight communique said. Two thousand German, Italian and Rumanian troops were reported slaughtered in that one counter-attack.

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150

# U.S. Planes Encounter No Iraqi Resistance

By John H. Cushman Jr.  
New York Times Service

**ABOARD THE INDEPENDENCE** — United States warplanes kept up a grinding pace of around-the-clock patrols over southern Iraq on Friday as Baghdad made no move to violate an allied ban on Iraqi flights in the area.

Military officials said American pilots flew 200 sorties from the aircraft carrier Independence alone in the first 24 hours of the operation, which began on Thursday afternoon. It is a rate that is well above normal for this ship, especially if it is to be maintained for days or weeks on end.

A decision on whether to scale back the patrols hinges on whether Iraqi planes breach the 32d parallel, the northern border of an air zone established by the United States and its allies to protect the Shiite Muslims in the southern Iraqi marshlands.

Eventually the allies might elect to fly more sporadic missions, like the intermittent patrols of the Kurdish region in northern Iraq.

All the pilots returned Friday night without sighting any Iraqi planes. Nor did they detect any other opposition, like the fixing of hostile radar on their aircraft, although Iraqi radar was scanning the skies.

"They know we're out there," said Commander Don Watkins as he returned in his A-6 Intruder bomber Friday afternoon.

"They're looking at us, they're watching," he said, citing indications from his plane's radar detection equipment.

The enforcement operation includes surveillance planes, combat air patrol, reconnaissance planes and leaflet drops. The Arabic-language leaflets were of two kinds. One said, in essence, "Don't fly or you'll be shot down." The other cautioned radar operators not to turn on their equipment.

The commanders of the Independence began to pace themselves for the long haul.

Deck crews are working 18 hours at a stretch. Some of the pilots are flying two missions a day, of up to six hours each. Sometimes there is a four-hour break between flights, sometimes eight.

"It's somewhat higher than we are used to flying," said Captain Arthur N. Langston, commander of the air group, said of the tempo of takeoffs.

"The thing we have to watch is crew rest, maintenance personnel rest," he said.

Not all the planes that take off are armed. About half the Intruders that went aloft Friday were carrying fuel for other planes. Even in the Gulf region, the fighter planes must closely manage their fuel supplies. If a plane took off from the Independence on Friday, the odds were about one in four that it was carrying fuel for other warplanes.

# ISRAEL: End of Restraint

(Continued from page 1)

point "where the decision for war will be short, and there won't be a situation in which, like Desert Storm, during 45 days our home front was exposed."

As for those countries farther away, Mr. Rabin said, the deterrent is "the development of our ability to hit population centers of those same countries."

He indicated that Israel would take preemptive action against a suspected chemical attack. "We have to make it clear that we will not accept and we will not allow the Jewish state to go through the trauma of gas being used against it," he said.

A diplomatic source said Mr. Rabin's remarks represented an effort to preclude any request from the United States for restraint if hostilities erupted.

In asserting that Israel would respond swiftly to any threat, Mr. Rabin was returning to a traditional Israeli doctrine that says a conflict cannot be fought on the home front but instead must be deterred or preempted. This approach was set aside when former Prime Minister Yitzhak Shamir agreed to comply with a U.S. request during the Gulf War not to retaliate because such an action could break up the allied coalition, which included key Arab partners.

In retrospect, the Israeli military concluded that the failure to respond was a mistake that could be read as a sign of weakness by Israel's enemies, and Israel is anxious to broadcast the message that such restraint will not be repeated.

"What happened there was in total contradiction to the Israeli doctrine, which has always been to bring the war to the enemy and never to sit still," said a senior Israeli official.

Mr. Rabin, in response in another question during the interview, also said that "it is unthinkable that a congressional committee should investigate persons doing jobs for the government of Israel."

He did not elaborate, but Israeli sources said a congressional panel, under Representative Lee H. Hamilton, Democrat of Indiana, and Representative Henry J. Hyde, Republican of Illinois, had informally raised the idea of questioning Israelis, including some in the foreign intelligence service and former members of the cabinet. The sources said, however, that there had not been a formal request.



**MORE TALKS ON YUGOSLAVIA** — Foreign Minister Ali Akbar Velayati of Iran arriving Friday in Jakarta to attend a meeting of the 106-member Nonaligned Movement, which begins Tuesday. On the agenda is a debate over whether to oust Yugoslavia.

# Palestinians Neither Accept nor Reject Israeli Peace Proposal

By Robert Pear  
New York Times Service

**WASHINGTON** — Palestinian negotiators say Israeli proposals for Palestinian self-rule in the West Bank and the Gaza Strip are unacceptable but will not be summarily rejected.

"We now have on the table two proposals, the Palestinian proposal and the Israeli proposal, and they happen to be incompatible," said Hanan Ashrawi, spokesman for the

Palestinian delegation to the sixth round of Middle East peace talks, taking place at the State Department.

But she added: "It doesn't mean that we're not going to negotiate or that we have reached an impasse."

[Israel's chief negotiator with Syria at the talks said Friday that the two nations had reached tentative agreement on a list of issues. Reuters reported from Jerusalem. "There is already such a tenta-

tive list," Itamar Rabinovich told the Israeli Army radio. "It is correct that there is a series of issues that it is possible to agree on."

Mrs. Ashrawi said that the Israeli proposals, presented Tuesday, were "quite a regression" from the Camp David agreements of 1978, on which the Israelis have said their position is based. Part of the problem, she explained, is that the proposals contain no reference to the withdrawal of Israeli forces or "the

dismantlement of the military and civil administration structures" established by Israel in the occupied territories.

The Israeli proposals call for elections next April or May to choose a Palestinian "administrative council" which could exercise carefully circumscribed powers over Palestinian residents of the territories.

Mrs. Ashrawi said the Israeli proposals were incompatible with

"basic Palestinian rights" and with the terms of reference for the current peace talks because they would not require "a meaningful transfer of authority" to the Palestinians.

The talks continue a process begun at a peace conference in Madrid in October. In a letter of assurance to the Palestinians, the United States, as co-sponsor of the conference, said at the outset that the purpose of negotiating transitional arrangements for the occupied ter-

ritories was "to effect the peaceful and orderly transfer of authority from Israel to the Palestinians."

The United States also said that "Palestinians need to achieve rapid control over political, economic, and other decisions that affect their lives."

Mrs. Ashrawi insisted that the Palestinians were not rejecting the latest Israeli proposals. She suggested that Israel was taking "a maximalist position."

# Can New Talks End Balkan Strife? Those at the Old Talks Are Doubtful

By Eugene Robinson  
Washington Post Service

**LONDON** — When new talks aimed at ending the carnage in the Balkans begin next week in Geneva, it is unclear whether anyone at the negotiating table will actually have the power to stop the fighting in the Balkans, mediators in charge of the talks acknowledged Friday.

Cyrus R. Vance, a special United Nations representative charged with ending the civil war, said he was not sure that any of the parties expected in Geneva could deliver on promises to rein in the Serb forces holding Sarajevo and other Bosnian cities under siege.

Radoslav Karadzic, the leader of Serbs in Bosnia, has agreed to go to Geneva. But Mr. Vance said he did not know whether Mr. Karadzic had "the strength to carry out the commitments" he made during an international conference on Yugoslavia held in London this week.

Milan Panic, prime minister of the unrecognized remaining Yugoslavian federation that includes Serbia and Montenegro, also made many conciliatory promises, but Mr. Vance said that he, too, may lack the authority to bring the Serbian irregulars in Bosnia under control.

And the Serbian president, Slobodan Milosevic, the man blamed

by most of the officials gathered here for the bloodbath in Bosnia-Herzegovina and other parts of the former Yugoslav federation, is not scheduled to attend the session next week in Geneva.

"We will just have to watch and see," said Mr. Vance, who will be co-chairman of the talks along with David Owen, a former British foreign secretary named as the European Community's mediator in the Balkan conflict.

According to Mr. Vance and Mr. Owen, the talks in Geneva will open Thursday and remain in almost continuous session until a settlement is reached.

UN and EC representatives here spent much of Friday battling themselves on the back for what they called the unprecedented agreements reached at this week's conference.

The warring Yugoslav factions all agreed, in principle, to shut down detention camps, to allow the distribution of humanitarian aid and to let refugees return to their homes.

Mr. Karadzic specifically pledged that the Bosnian Serbs would withdraw from some of the lands they hold — Serbian forces now control 70 percent of Bosnian territory — and put their heavy weapons under UN supervision. But similar promises have been

made and broken time and time again.

Even as the accords reached here were still warm from the photocopy machines, the beleaguered residents of Sarajevo surveyed the rubble left by some of the worst shelling of the war.

One key question was who, if anyone, spoke for the Serbian warlords and local toughs who are actually carrying out the sniping, shelling and "ethnic cleansing" that has devastated Bosnia and driven its Muslim citizens from their homes.

Asked whether he intended to order a halt to the siege of Sarajevo, Mr. Karadzic denied that any such thing was taking place. "We do not conduct sieges," he said. "We defend our territory."

He and other Serbs here gave a puzzling array of answers to the question of who was in charge. At times Mr. Karadzic said he had the ability to bring the Bosnian Serb forces to heel, and at times he indicated that events were beyond his control.

There appeared to be friction between Mr. Milosevic, the nationalist seeking to build a greater Serbia, and Mr. Panic, the U.S. businessman called back to his homeland to take over as prime minister of a state that no one recognizes.

# SARAJEVO: A Cease-Fire Brings Fear, Not Hope

(Continued from page 1)

said they had wrested more promises from the Serbs than expected. But the heavy shelling turned hope to contempt.

It focused on President Slobodan Milosevic of Serbia, who is widely blamed as the principal agent of the Bosnian war.

The leader of the Bosnian Serbs, Radoslav Karadzic, explained the shelling on Friday as the result of Muslim provocation. He said he could do nothing to prevent Serb fighters from firing back.

"We can't stop it because we are

endangered," Mr. Karadzic told BBC radio in London.

Senior UN officials in charge of the peacekeeping operation in former Yugoslavia said here that there is likely to be a "huge" increase in the UN's presence in Bosnia.

A document issued by the "War Presidency" in the northern Bosnian town of Celinac lists restrictions against Serbs. It includes 14-hour curfews and bans on lingering in streets, restaurants and other public places. It outlaws fishing and swimming in rivers, as well as car and private telephone use. It says Serbs can wear uniforms.

■ **Serbs Impose Curbs**  
Serb authorities have imposed sweeping curbs on Croats and Muslims under their control, ranging from bans on swimming to total curfews. The Associated Press reports from Geneva.

A spokesman for the UN High Commissioner of Refugees said Friday that some of the curfews recalled images of progressive Nazi restrictions on Jews.

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# Christians Strike In Lebanon Prior To Next Balloting

By Reuters

**BEIRUT** — Lebanese Christians started a three-day strike against legislative elections Friday as results from the north showed gains for pro-Syrian and Muslim fundamentalist candidates.

Official results of Sunday's voting in northern Lebanon showed a victory for 26 pro-Syrian Christian and Muslim candidates as well as two Sunni Muslim fundamentalists. The second and third rounds of voting are set for Beirut and Mount Lebanon on Sunday and for the south Sept. 6.

Christian opposition groups are boycotting the polls, saying that elections should be held only after Syrian troops withdraw from areas around Beirut, scheduled for September under the terms of the peace pact.

The latest results make it clear that the National Assembly will have a majority of pro-Syrian members as well as Muslim fundamentalists. Christians and Muslims are to be equally represented, but Christians fear that parliament will become dominated by Muslim extremists rather than moderates.

# RETIRE: Longer Life Spans Give France Gray Hairs

(Continued from page 1)

fulfilled the 37.5 years of work required by law.

"The hardest thing for us is to keep people busy and motivated," said an official at a local retirement home. "Some play cards or bowl. Many do nothing. By the time people come here they are 75 or over and they have been feeling useless for a long time."

Typically, most of the home's residents are women, who make up two-thirds of France's citizens over 75. They are of a generation that has not held paid jobs outside the home, reflecting the point that old age is often harder on women because they have not been able to build their own pension fund. Widows' pensions often do not meet the women's basic needs, although the

government has recently raised the minimum guaranteed income for all the aged and expanded the national health insurance system to include all citizens.

France likes seasoned leaders — President Francois Mitterrand is 75. Charles de Gaulle stepped down at 79 — but politicians spend little time courting the 20 percent of the population now over 60. And the aged have not organized any vocal lobbying groups.

But as life expectancy rises, private groups and local governments are searching harder for ways to fill the retirement years. The University for the Third Age — as old age is often called in France — started in Toulouse two decades ago. Today it has more than 900 students and has become a model for similar

programs in numerous other French cities.

A private pension fund, Mutualite Sociale Agricole, has started "brainjogging" workshops in more than 120 towns and villages to stimulate imagination and memory. Almost every town hall has organized one or more "clubs for the third age," places where older people can meet, play or eat.

George Hessler, who oversees Orange's three retirement homes, said that his nonprofit organization now provides domestic nursing and delivers meals to the elderly at home. The thinking in France, he says, is to discourage the spread of institutions and to encourage people to stay independent and at home as long as possible.

Paula Roche, 80, agrees. She sleeps in a retirement home here because she is afraid to stay alone at night. But every morning she leaves to look after her house and plants.

# SOMALIA: UN Observers Shot

(Continued from page 1)

Howeth, the team leader for the relief agency CARE. He told UN officials by radio that some looters had tried unsuccessfully to board the relief ship Rastana Naree, which is docked in Mogadishu.

As much as half of all food sent in Somalia has been stolen by militias and armed gangs that have free rein in the lawless country. Fighters loyal to General Farrah Aidid are blamed for much of the looting, and he has been accused of ruthlessly pursuing his goals at the expense of millions of his countrymen.

He agreed this month to allow the UN to send 500 troops to guard aid shipments. Secretary-General Butros Butros Ghali this week proposed sending 3,000 more.

But in a meeting with staff members of the UN World Food Program, General Farrah Aidid said that additional foreign troops "could only create trouble."

He repeated an earlier demand that the UN simply train and equip a Somali police force to do the job.

said Paul Mitchell of the food program.

Aid officials have rejected that proposal, saying it would be little more than rearming and training the general's fighters.

"Somalis must get together and solve their own problems," Mr. Mitchell quoted the general as saying. "Foreign interference won't solve the problems of Somalia."

The general made his statements in a meeting in Bardera, a southern Sudan town where he has his headquarters. He and his supporters keep themselves well-fed on rice and meat in a heavily guarded compound in Bardera, cloistered from the despair and dying all around them.

In Belet Uen, meanwhile, Somalis rushed to unload sacks of food from U.S. military transport planes on Friday as an airlift got under way.

Four food-laden Hercules transports, marked with Red Cross insignia, landed in the desert town 400 kilometers (250 miles) north of Mogadishu, to feed 300,000 famished refugees. (Reuters, AP)

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ART

Saturday-Sunday, August 29-30, 1992, Page 6

The Golden Treasures of Friuli

By Roderick Conway Morris

ODROIPO, Italy — Living at the crossroads of civilizations can be an artistically enriching but hazardous occupation. Repeatedly fought over, frequently laid to waste and incessantly ridden and marched over by foreign armies, Italy's northeast corner, the melting point of the Latin, German and Slavic worlds, developed over the centuries a cultural blend unmistakably its own.

An outstanding manifestation of this brew was the region's metalworking — as is revealed by a sumptuous exhibition, "Ori e Tesori" (Jewels and Treasures), which lasts until Nov. 15.

The setting of the show, which is subtitled "A Thousand Years of the Goldsmith's Art in Friuli-Venezia Giulia," is a treat to itself. The Villa Manin, the imposing and spacious country house of the last doge of Venice, Ludovico Manin.

Mercifully distant from the urban and industrial encroachment that mars the surroundings of too many other villas in the Veneto and Friuli, Villa Manin at Passariano, just outside Udine, stands amid a shady park and lush fields against the backdrop of the Carnic Alps.

Friuli's fertile plain, having been devastated in the 10th century by the Hungarians — to such an extent that almost all continuity with its Roman and Carolingian past were lost — underwent a dramatic revival under the German Patriarch Poppono, who rebuilt the ancient basilica at Aquileia and consecrated it in 1031.

One of the first items in the show, a beautiful 11th-century gilded silver chalice, probably made in Cologne, crisply and expertly engraved with figures and lettering, testifies to the strong German influences on Friuli's artistic rebirth.

Meanwhile, the region's position on the shores of the northern Adriatic played its part, with very different religious artifacts — including superb metalwork, ivory portraits and bas-reliefs, represented by admirable pieces here — arriving from Constantinople at a period when Byzantine art was experiencing a second Golden Age. Following the defeat of Iconoclasm, which had rejected all figurative imagery, Friulian eclecticism was in due course further fueled by the arrival of works as diverse as Limoges enamels and Islamic bronzework.

By the 14th century artist-craftsmen throughout the area were making a wide range of products, using the full gamut of material and techniques. This coincided with a time when popular fervor for the worship of saints' remains was giving rise to ever-increasing demand for suitable vessels and cases to contain the revered relics.

Exquisitely-fashioned silver arms, hands, fingers, legs and feet proliferated.

But the acme of the art form was reached in the life-sized busts made to encase holy skulls — some of which have all the expressiveness and presence of more conventional sculptures in stone and wood, and even predate by decades the work of better-known Renaissance masters. Particularly striking are the silver, gilded silver and enamel bust of San Donato of 1374, whose portraiture is astoundingly accomplished and sophisticated for its time, and two early 16th-century busts of San Sigmund, very much in the High Renaissance classical style, and Santa Anastasia, which reflects contemporary views of early Christian piety and fortitude (she was a 4th-century martyr) and is at the same time a vigorously executed tribute to Italian womanhood.

Advances in the working of rock crystal and the making of glass also encouraged the manufacture of free-standing reliquaries to display smaller sacred remains: fantastic Gothic architectural extravaganzas in miniature, with spires, pinnacles, gables, pillars, sloping roofs and niches for tiny statues, congregations of saints, martyrs and angelic choirs.

The local master of these was Nicolò Lionello, who worked in the first half of the 15th century, and who, as well as being a goldsmith, was employed by the city of Udine (Friuli's capital) as an hydraulic engineer and as the architect of its handsome Municipal Loggia.

Later sections of this large but unflaggingly interesting show deal with the sacred treasures of the Jewish, Greek and Serbian Orthodox communities, which built grandiose synagogues and churches in Trieste when the port rose to prominence as the Habsburg Empire's Mediterranean entrepot during the last century.

The growing affluence of Trieste and the region in general created a lively market for decorative jewelry for people of all classes, from ship-owners to peasants. Most prominent of the new-style secular jewelers was the Slavic Janesch family, which at one time enhanced the glitter of many a crowned and uncrowned head of Europe, and by the 1920s had shops in Paris, Monte Carlo, Deauville and Vichy.

Finally, not to be missed, is an extraordinary set of finely-finished wrought-iron jewelry of the kind that, having started life as a somewhat ostentatious austerity measure in Berlin during the Napoleonic Wars, enjoyed a brief rage among the well-heeled all over Europe.

Roderick Conway Morris is based in Venice and writes for The New York Times and The Spectator.



Reliquary bust of San Donato, 1374, in silver, gilded silver and enamel.



The horned helmet presented to Henry VIII by Emperor Maximilian in 1516, above, and Henry's silvered armor, made around 1514.



Jousting in London Over Tower Armor

LONDON — The increasing drive toward unrestricted commercialization is putting the historic and artistic heritage of Britain at risk. Here, a major work of art, say a Titian, gets exported as institutions, strapped for cash, stand by helplessly. There, a delightful mid-19th-century facade is allowed to deteriorate to the point where it will eventually have to be demolished, as may be seen around South Kensington.

And now, it is the heart of historic London, the Tower, that is threatened with dramatic changes to its collection display on the off chance

SOURBEN MELIKIAN

that an extra penny can be squeezed from tourists. If followed through, the royal museum since the Norman Conquest. It would further deal a severe blow to what is one of the most important arms and armor museums in Europe.

News that a drastic overhaul was afoot broke out at a dinner on July 8 at Hampton Court. David Mellor, the secretary of state for the national heritage, announced that his department was prepared to give £30 million (\$40 million) with a view to setting up a new museum that would house a large if unspecified part of the collection in Leeds, 196 miles (300 kilometers) north of London.

Another estimated £25 million was needed, of which Leeds Development Corp. agreed to give £7 million to £14 million. The remainder would have to come from investors. They would presumably succumb to the lure of the financial profits to be made from participating in the theme park included in a housing development project in the center of which the new museum was to be built.

Britain's leading arms and armor historians began to be seriously worried. When the Meyrick Society, Europe's oldest arms and armor fan gathering, was approached by Guy Wilson, Master of the Armouries — who is widely credited with conceiving the plan and who wished to get a fair hearing — it jumped at the opportunity. The meeting was held at the Tower on July 22 and for the first time, some details of the plan were put forward.

The closure of the Oriental Armouries in Waterloo Barracks is confirmed — the entire collection is going into storage as of Tuesday for an indefinite period. This includes such famous items as the elephant armor from 18th-century India unmatched in any Western museum. The decision was made even though no alternative location has been found. The reason put forward is that the Oriental Armouries is not part of the history of the Tower. This is like throwing the Rembrandts out of the Louvre on the ground that the Dutch school is not linked to the past of a French royal palace.

Wilson explained that the new Royal Palaces Agency, which was set up in 1985 to run royal monuments on a commercial basis, wants the space. Equally drastic changes would affect the display of European armor. The greater part was to be dispatched to Leeds. Some of the armor of Henry VIII (which have yet to be determined) would occupy one floor in the White Tower, where they are now on view with the European armor of Medieval and Renaissance times. Another floor of the White Tower would be converted to illustrate the history of the Tower as an arsenal. A third floor would be devoted to the display of a Victorian arsenal.

All these changes would provide more space for the Crown Jewels and make it possible to build a large restaurant required by tourists. The relationship between the Tower of London administration and the Royal Armouries as a museum had been difficult, making a separation desirable in any case, as Wilson saw it. The Royal Palaces Agency had been buying for some time instruments of torture and punishment that scholars vehemently oppose (they are irrelevant to the Tower and not all are accepted as period pieces).

Wilson then outlined some ideas for the new museum in Leeds. It was necessary to display some of the items as art, in panoramas. Various techniques should be demonstrated and a crafts court with workmen engaged in their activity would be set up. There would also be a tilt court, where the use of weapons would be demonstrated. The Royal Armouries have "stories to tell" about arms and warfare, Wilson explained. It could work hand in hand with Yorkshire Television, noted for its educational programs. A cinema would be included, and a restaurant, and a pub.

If this is reminiscent of Disney World, that is no accident. In February, four members of the Armouries staff made the trip to Disney World in Florida.

The side effects of the undertaking have obviously not been taken into consideration. The research library, due to go to Leeds, will be out of daily reach to the specialized historians, nearly all in London. The intimate link between armor, a major form of three-dimensional art blending sculptural form, bas relief and ornamental design on metal, and the multiple arts it relates to, will be cut. And here, the loss will be as great to the ordinary art lover as to the specialist.

This is not the first time that the arms and armor in the Tower have undergone a drastic shake-up. Henry VIII reorganized the Armouries shortly after mounting the throne in 1509 and apparently threw out all the earlier pieces, judging from the inventories drawn up under his reign. He set up the "Almain Armoury," named mostly by German craftsmen (hence the "Almain" qualifier), at Greenwich Palace, then the seat of the monarchy. When that was destroyed

after the outbreak of the Civil War in 1642, Cromwell had the residue of the armor brought to the Tower. Since then, major pieces such as the armor garment made in 1540 for Henry VIII by Erasmus Kyrenzer have been on view in the Tower, although not always in the same display. In 1660, when Charles II regained power, he set up a "Line of Kings," purporting to display the armor worn by the kings of England since William the Conqueror. As no early pieces survived, a Greenwich suit of armor made around 1580 was grabbed to take the place of William's missing armor. A unique horned helmet presented to Henry VIII by Emperor Maximilian in 1516 had long been separated from its original armor. It was rearranged with various bits as "the armor of Will Somers, jester of Henry VIII." The horns were there, the warders explained to visitors who were streaming in by the 18th century, because the jester was cuckolded by his wife.

A rounded piece designed to protect the private parts of Henry VIII, the codpiece, had been separated from its original armor (they have since been reunited) and was shown on its own. Tourists, asked by warders if they "wanted to see the scepter with which Henry VIII ruled his wives," were taken to admire it. W. Hutton wrote in 1785: "What should be great, they turn to farce."

EVENTUALLY the Duke of Wellington asked Samuel Meyrick, the author of the first serious study on arms and armor, to rearrange the collection along historical lines. In 1825, money was allocated to expand the historical breadth of the collection. As late as 1987, the Armouries, renamed "The Royal Armouries" in 1985, bought a £253,750 shaft, or head defense for a horse, from the armor of the Earls of Warwick. The 14th-century object, which looks like some Surrealist work, is proudly described on the label as "the earliest piece of medieval armor surviving anywhere in the world."

Breaking up the unity of a collection built up over four centuries, to which the names dearer to English minds are attached, seems as unreal as the phony armor of "Will Somers, the jester of Henry VIII." But there is no doubt about the cuckold's identity. It is the public at large, in Britain and elsewhere.

Poet-Tasters By Tap Osborn

A crossword puzzle grid with numbered squares and some pre-filled letters. The grid is 16x16. The puzzle is titled 'Poet-Tasters By Tap Osborn'.

© New York Times, edited by Eugene Malachuk.

Solution to Puzzle of Aug. 22-23

A grid containing the solutions to the crossword puzzle from August 22-23. The solutions are listed in a grid format corresponding to the puzzle's layout.

- 1 Dinosaur
2 Dangerous
3 Shark
4 Singer McEntire
5 Rent girl
6 Clock watcher
7 Sign that's fine
8 Buy times at the L.R.S.
9 Dull-witted
10 Eshereal
11 Alfred's taro
12 Agave
13 Hart's cereal
14 A time to serve
15 Spinburne
16 Comb. Comb. form
17 West Coast fort
18 Used a suitcase
19 French fluid
20 First name of the 18th U.S. President
21 Old stone tools
22 Earth movers
23 Gertrude's aperitif
24 W.W. II medals
25 L.A.-to-Las Vegas dir.
26 Like a tiger
27 Unsur's seals
28 City in Germany
29 Memphis word for a close call
30 Key
31 Excessive
32 Good health or wealth, e.g.
33 Scamp
34 They put on
35 Rain buckets
36 Quai — Paris
37 Generous gifts
38 Light-verse
39 Richard's food supplier
40 Overrate
41 Agave
42 Card game for three
43 Fascinate at the gate?
44 With her, it's snip and tuck
45 Farm-machine pioneer
46 "Whither were you?"
47 Shak.
48 Ancient Comb. form
49 Improve spiritually
50 Mid-orchestra locale
51 Hebrew letter
52 Food in red paraffin
53 Thrash
54 With'er's ponies of brandy
55 Seeds of life?
56 Chambrake fern
57 Ginger chasers
58 Stopwatch
59 More eldritch
60 Show approval
61 Sorcery belief: Var.
62 Tomato blight
63 Rupert's meal maker
64 Sometime poet's veggies
65 Approval word
66 Act parsimoniously
67 Napoleon's forced retreat
68 Madras: Suffix
69 River in Canada
70 Synchro
71 Ruler mixed up in arts
72 Tennis org.
73 Woolley's game?
74 — for the "Missgoten"
75 Franzel
76 Parmesan
77 Dream: Comb. form
78 Cuba's music
79 Period part
80 Blokes from Stoke-on-Trent
81 Maintain
82 — cil. (in the place ched)
83 Spain's "Nile"
84 Looks hard upon
85 When light fights night
86 Verb attachment
87 — peace?
88 Place in space
89 William's fruit-of-the-loam
90 Pa. port
91 Millstone bar
92 Make a mockery of
93 Dam device
94 Scot's soil
95 Edna's edibles
96 Fleur-de-
97 She rhymes with miss
98 "The First"
99 Prop (up)
100 Constantine's vision
101 Bandbox
102 Bicenennial
103 Milk: Comb. form
104 Getaway Bay's — islands
105 Many land sites?
106 Polish writer of sci-fi fame
107 Campaign topic
108 Seal mark
109 Auburn athlete
110 A real original
111 Rebelled
112 Miguel's share
113 Like tanks
114 Newfoundland's narrow lane
115 It can follow six
116 Fashion — passions
117 Downgrades
118 New Netherlands landowners
119 Kind of screw
120 First in a trio
121 Device for lettering
122 Secret sightings
123 Look for
124 Tender touch
125 Colter from Japan
126 Pill for a chill
127 "Now, knock when I — Shak.
128 Endings for opera and idea
129 Spirited dance
130 Irish patrol
131 Punta — Fla.
132 Israeli statesman
133 Author Bombeck
134 Call gone astray
135 Sault — Marie
136 Range of understanding
137 Spot for a shot

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FOR SALE/SOLD

Restores LONDON — Handwritten lyrics of some of the Beatles' most popular songs have sold for tens of thousands of pounds at a London auction. A thin sheet of paper bearing the late John Lennon's words to his 1967 song "A Day in the Life" was sold at Sotheby's for £44,000 (\$87,000) — double its estimated price. The lyrics were bought by an anonymous telephone bidder, as were words penned by Paul McCartney to "She's Leaving Home," which sold for \$41,000. The money for the McCartney song will go to a children's charity in the Beatles' hometown of Liverpool. The lyrics were part of a 300-lot collection of previously unpublished photographs, films, recordings and other mementos collected by the Beatles' road manager, Mal Evans. A rare informal film of the band that sent teenagers around the world into a frenzy of Beatlemania fetched £21,000. It showed Lennon, McCartney, George Harrison and Ringo Starr meditating in India with the Maharishi Yogi in 1968. The prices fetched for the Beatles collection upstaged the belongings of other rock and pop stars, including Madonnas, Michael Jackson, Elton John, Prince and the late Queen singer Freddie Mercury.

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This is the third in a series of issues sponsored by MCI and presented by FLAAG for all Americans around the globe.

## Citizenship: a Prize Worth Preserving

True or false: The child of an American citizen is automatically a citizen of the United States.

False, in a number of circumstances. Although any baby born on American territory, even to foreign parents in transit, is considered a "natural born" U.S. citizen, Americans living abroad do not necessarily have the absolute right to pass their citizenship on to their children.

"Citizenship rules are being relaxed by many developed countries," says Henry Valentino, chief U.S. representative of the bipartisan Federated League of Americans Around the Globe (FLAAG). "Italy and Ireland have recently adopted grandfather rules (only one grandparent entitles an individual to citizenship). In the United States, however, the government seems reluctant to recognize even a parent's right

to have these children naturalized without moving back to the United States, usually for a minimum of six months. This is often impossible for those who do not have the means to leave their careers for a long period of time.

FLAAG (Federated League of Americans Around the Globe) has been actively working to have these and other inequities in the citizenship laws rectified. Now, there is finally some relief in sight.

H.R. 5599, a proposed amendment to title III of the Immigration and Nationality Act, contains two sections (4 and 5), introduced by U.S. Congressman Howard L. Berman (D-CA), chairman of the House Subcommittee on International Relations and member of the Immigration Subcommittee, pertaining to citizenship of Americans living abroad.

This bill does not reduce the five-year residency re-



FEDERATED LEAGUE OF AMERICANS AROUND THE GLOBE

quirement for passing citizenship to the child of an American living abroad to one year, as FLAAG has advocated. A compromise solution was reached, however, to satisfy those who saw a reduction in the residency as weakening the ties to the United States. Section 4 of the bill institutes a simple procedure for recognizing the citizenship of children born abroad to an American parent who does not meet the residency requirement.

If the amendment becomes law, the parent would only have to make a short visit to the United States with the child, who would be required to take an oath of citizenship (special provisions would be made for children too young to take the oath). The child must be under the age of 18 years and in the legal custody of the citizen parent when the oath is taken. They will need to stay in the United States only long enough to take the oath.

The same procedure would apply for Ameri-

cans adopting a foreign child, if the child was adopted before the age of 16 years, whether or not they are living in the United States.

A person naturalized through this process, however, would not be able to naturalize his or her own child through the same process. This proviso was added to the amendment to satisfy the concern that generations of Americans would be able to pass on citizenship without having much attachment to the country.

Section 5 of the bill sets up a process whereby Americans who were

stripped of their citizenship in the 1950s, '60s and '70s because of the onerous residency requirements then in effect, which were changed in 1978, would be able to reinstate themselves as citizens by simply taking an oath at an American consulate, without having to go back to the United States.

The bill is ready to be considered by the full Judiciary Committee. "I expect it to come to the House floor early this fall," says Beth Wilson Hilliard, legislative assistant to Congressman Berman, "and then go directly to the Senate, where it need not go through the committee process. We have developed it with Senate concerns in mind so that it can pass that body easily."

### Dual Citizenship

With only six weeks left in the legislative session, Ms. Hilliard says it "will be a big job to get this passed this year." Ameri-

be recognized as citizens means more to them than to many born within the boundaries of the 50 states."

### Stateless Children

In other good news for Americans living abroad, they now have the right to retain their U.S. citizenship even if they become citizens of another country. Before 1990, when the U.S. State Department changed its policy, Americans who became citizens of another country were presumed to be giving up their U.S. citizenship. But now, the State Department presumes that they intend to retain the U.S. citizenship unless they state otherwise.

Anyone who lost their citizenship in this way can have it restored retroactively, which means that they can also pass their citizenship on to any children born during that time as long as they fulfill any other requirements.

Americans who hold dual nationalities are eligible to vote in both American elections and elections in their adopted country. Males should keep in mind that if they retain their American citizenship they must register with the Selective Service when they reach the age of 18.

FLAAG is interested in hearing from those who have a problem with citizenship and will be happy to steer them to the proper office or agency that can help them.

### FLAAG IS...

The Federated League of Americans Around the Globe — a nonprofit, nonpartisan organization serving the needs and interests of all U.S. citizens abroad.

With its main office in London, FLAAG also has offices in Paris and Washington. FLAAG's representatives are available to help you. In Washington we bring your concerns to the attention of the U.S. Congress and the administration. FLAAG seeks improvements in such areas as taxation, citizenship, voting, education, medical coverage, business competitiveness and personal security as they affect all Americans around the globe.

FLAAG offers its members a clearinghouse of reliable information, FLAAGSHIP magazine, worldwide health insurance, international seminars and special events, a data bank and resource center, and global networking. FLAAG members can receive discounted telephone service, electronic mail and other telecommunication services through FLAAG's official telecommunications sponsor, MCI.

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• This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • It was written by Heidi Ellison, a Paris-based writer and editor.



Faces of America — united by a flag.

to transmit citizenship." Current U.S. law requires one parent to have lived in the United States for a total of five years, including two years after the age of 14, in order to pass U.S. citizenship to his or her child. In this age of a global economy and frequent travel, this can create a hardship for individuals who grew up overseas and visited the United States for only short periods or never lived there at all, even though they still identify themselves as Americans and wish to hand their citizenship on to their children.

### No Time to Lose

Even worse, if an American in this situation marries a foreigner whose citizenship cannot be passed on to the child either, the child may be stateless, without the rights or protections of any nationality.

Another problem is that Americans living abroad who adopt children of another nationality cannot

requirement for passing citizenship to the child of an American living abroad to one year, as FLAAG has advocated. A compromise solution was reached, however, to satisfy those who saw a reduction in the residency as weakening the ties to the United States. Section 4 of the bill institutes a simple procedure for recognizing the citizenship of children born abroad to an American parent who does not meet the residency requirement.

If the amendment becomes law, the parent would only have to make a short visit to the United States with the child, who would be required to take an oath of citizenship (special provisions would be made for children too young to take the oath). The child must be under the age of 18 years and in the legal custody of the citizen parent when the oath is taken. They will need to stay in the United States only long enough to take the oath.

The same procedure would apply for Ameri-

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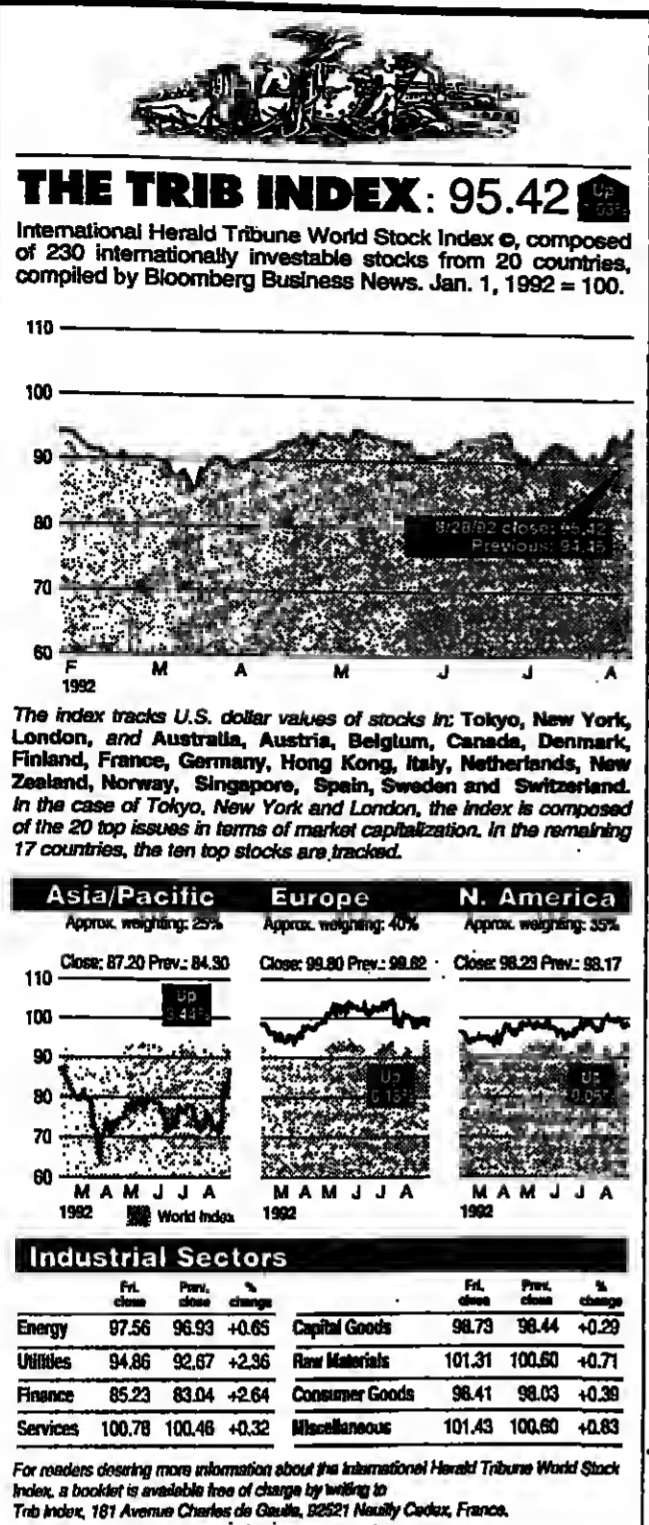
PHONE/FAX: \_\_\_\_\_ (INCLUDE ALL PREFIXES)





150

BUSINESS



U.S. Cuts Savings as Recession Bites Deep

WASHINGTON — Americans cut back on savings in July as a faltering recovery stepped up pressure on family budgets...
Economists warned that a vicious circle was developing in which consumers dip into savings or borrow to keep up their living standards...

GM to Sell Stock Held By General Dynamics

DETROIT — General Motors Corp. said Friday it would sell the public the 21.5 million GM shares held by General Dynamics Corp., signaling the defense contractor's desire to cash in on the previous sale of its missile business...
The General Dynamics stock will be sold under the same terms, but about a year earlier...

EMS Rejig Is Ruled Out EC Vows Action to Maintain Exchange Rates

BRUSSELS — EC governments on Friday ruled out any realignment of currencies in the European Monetary System, despite the lira's plunge below its floor against the Deutsche mark...
The member states of the European Economic Community are committed to economic and monetary stability in the EMS...

ECONOMIC SCENE

Stateside, a Bright Side to the Dollar's Tumble

NEW YORK — Americans looking to put the best face on the falling dollar need not look far: Cheaper dollars mean more U.S. exports, which in turn means more jobs for an economy in need of them...
Few economists seem inclined to relax and enjoy the show.

More Nordic Insurance Woes

STOCKHOLM — Skandia, the Swedish company that is at the center of the Nordic insurance debacle, reported Friday that it had swung to a big loss in the first half of the year as its portfolio of real estate and securities fell in value...
The Swedish insurer, whose full name is Forskaringsskandia AB, said its operating loss of 344 million kroner (\$66.9 million), which compared with a profit of 7 million a year earlier...

Gaidar Says \$2 Billion Is Limit on Payments

MOSCOW — Russia's acting prime minister, Yegor T. Gaidar, said Friday his country was capable of paying no more than \$2 billion this year on the vast foreign debt of the former Soviet Union...
The Interfax news agency said Russia and other independent republics that succeeded the Soviet Union were due to pay \$9.8 billion in 1992 on the Soviet foreign debt...

Americans Abroad Sweat Out the Buck

By Steve Vogel
Washington Post Service
COLOGNE — The look on the faces is akin to sticker shock. These are Americans changing their dollars into Deutsche marks at the train station here...
The dollar hit this week reached a record low against the Deutsche mark and is showing few signs of recovery...

Apple Poised to Attack Low-End Market

By John Markoff
New York Times Service
SAN FRANCISCO — Apple Computer is poised for aggressive entry into the market for inexpensive home computers, hoping to tempt first-time computer buyers before they commit themselves to IBM clones...
Apple said it was planning a Sept. 14 news conference in New York at which it would announce a new line of Macintosh computers targeted at a "family" audience.

Tandy and Microsoft Join the Multimedia Fray

By Jonathan Weber
Los Angeles Times Service
LOS ANGELES — In the latest effort to push so-called multimedia computing into living rooms, Tandy Corp. and Microsoft Corp. have unveiled technologies for easy-to-use machines that will play a new genre of video games and educational software programs...
The two companies are vying with Philips Electronics NV, Commodore International and a joint venture between Apple Computer and International Business Machines to establish an industry standard for multimedia systems.

CURRENCY & INTEREST RATES

Table with columns for Currency, Par 5, Par 10, Par 20, Par 50, Par 100, and Par 250. Includes Dollar Values and Eurocurrency Deposits.

Table with columns for Country, 1-month, 3-month, 6-month, and 1-year. Includes Eurocurrency Deposits and Key Money Rates.

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MARKET DIARY

Stocks Drift Higher As Volume Shrinks

NEW YORK — U.S. stocks ended slightly higher Friday, extending to four sessions the recovery from last week's sell-off.

But volume shrank as investors stepped aside ahead of the weekend amid uncertainties about U.S. politics and the economy.

The Dow Jones industrial average gained 12.97 points, to 3,267.61. Advancing issues led do-

N.Y. Stocks

olimers by a 9-to-7 margin on the New York Stock Exchange.

Volume added to 152 million shares from 180 million on Thursday.

A steady rise in the dollar over the past few days lent support to the equity market, traders said.

"I think the stability in the foreign-exchange markets has helped the stock market in the last three days recover some, but it's a very tentative recovery," said Hugh Johnson, chief investment officer at First Albany Corp.

Analysts said a rally in Tokyo stocks also gave Wall Street a sense of relief. "The continued rally in Tokyo has lessened people's fears for the short-term of any melt-down," said Bradley Turner, investment policy committee chairman of McDonald & Co.

"I think the driver will be political factors," Mr. Turner said. "On any given day, the dollar may play a role, but I think that from now

through the end of the third quarter, the focus is largely going to be on politics."

Oil, natural gas, and drilling and equipment companies were buoyed by U.S. Department of the Interior estimates indicating that storm damage from the hurricane designated Andrew was worse than previously expected.

A department spokesman said at least six offshore oil rigs in the Gulf of Mexico had been seriously damaged. Natural gas platforms are also out of service.

Chevron confirmed the seriousness of the damage when it reported that three of its 171 platforms in the Gulf were destroyed and a fourth was severely damaged.

Texaco gained 1 to 6 1/2%, while Chevron rose 3/4 to 7 1/2%. "That was really half the gain in the Dow," said Edward Laux, head of block trading with Kidder Peabody.

Baker Hughes Industries, which makes drilling equipment, climbed 1 1/2 to 25%.

Merck fell 1/4 to 49% and Schering-Plough fell 1 to 38%.

Applied Material Inc. was among the most active stocks, falling 3/4 to 23% after the company sold 3.5 million common shares late Thursday.

Shoney's fell 1 1/4 to 17% after the company's stock would materially affect earnings. It did not detail the expected impact.

(Revers. Bloomberg)

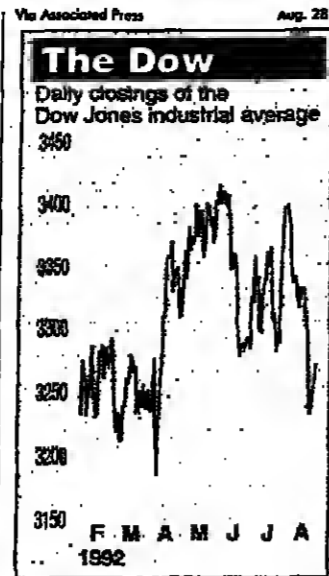


Table titled 'NYSE Most Actives' showing volume, high, low, and change for various stocks like Merck, Schering-Plough, and Applied Material.

Table titled 'NYSE Diary' showing advanced, declined, unchanged, and new issues for various sectors.

Table titled 'NASDAQ Diary' showing advanced, declined, unchanged, and new issues for various sectors.

Table titled 'Dow Jones Averages' showing open, high, low, and close for Industrial, Finance, and Utility indices.

Table titled 'NYSE Indexes' showing high, low, and change for Composite, Industrial, and Utility indexes.

Table titled 'NASDAQ Indexes' showing high, low, and change for Composite, Industrial, and Utility indexes.

Table titled 'AMEX Stock Index' showing high, low, and change for various sectors.

Table titled 'Dow Jones Bond Averages' showing high, low, and change for 30 Bonds, 10 Industrials, and 18 Industrials.

Table titled 'Market Sales' showing volume and change for NYSE, AMEX, and NASDAQ.

Table titled 'N.Y.S.E. Odd-Lot Trading' showing volume and change for various sectors.

Table titled 'S&P 100 Index Options' showing high, low, and change for various options.

Table titled 'NYSE Diary' showing advanced, declined, unchanged, and new issues for various sectors.

Table titled 'NASDAQ Diary' showing advanced, declined, unchanged, and new issues for various sectors.

Table titled 'EUROPEAN FUTURES' showing high, low, and change for various futures contracts.

Table titled 'SUGAR (FOX)' showing high, low, and change for various sugar futures.

Table titled 'COFFEE (FOX)' showing high, low, and change for various coffee futures.

Table titled 'WHITE SUGAR (MIRAGE)' showing high, low, and change for various white sugar futures.

Table titled 'Metals' showing high, low, and change for various metal futures.

Table titled '3-MONTH STERLING (LIPFEE)' showing high, low, and change for various sterling futures.

Table titled '3-MONTH EURO (LIPFEE)' showing high, low, and change for various euro futures.

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Compaq Challenges Hewlett-Packard HOUSTON (Bloomberg) — In a move to displace Hewlett-Packard Co. as the global leader in the \$30 billion laser-printer market, Compaq Computer Corp. will introduce its first two laser printers Monday.

In late June, Compaq set up a peripherals division to coordinate parts and manufacturing for the new printers. On Monday, the company plans to provide specifics about the two models, which it previously said would run on software developed by Novell Inc.

"They're going right after Hewlett-Packard," said Nancy Erskine, a computer analyst for Gartner Group, of Stamford, Connecticut. "There's a crying need for something alongside the HP LaserJet IIIi."

UTC to Plead Guilty in Fraud Case HARTFORD, Connecticut (Bloomberg) — United Technologies Corp. said Friday it would plead guilty to fraud charges and pay \$6 million in fines to settle a U.S. Justice Department suit stemming from the "III Wings" Pentagon procurement investigation.

The company, which has previously denied charges of wrongdoing in the five-year investigation, will plead guilty to three counts of fraud and conversion of government property, and one count of conspiracy.

United Technologies' Norden Systems subsidiary was accused in the fraud counts of obtaining information on defense contracts from a consultant to the U.S. Navy. Pratt & Whitney was accused in a single conspiracy count of receiving information in 1987 about a rival, General Electric Co.'s proposal for the F404 engine on the Navy's FA-18 "Hornet" jet fighter.

Gillette Forms Chinese Joint Venture BOSTON (Bloomberg) — Gillette Co. said Friday it had formed a joint-venture blade and razor manufacturing company with the Shanghai Razor Blade Factory, China's leading blade maker.

The new company, to be called Gillette Shanghai Ltd., will be 70 percent-owned by Gillette and 30 percent-owned by the Chinese concern. The two companies are initially investing \$29.5 million in the project, Gillette said. The venture is subject to receiving a business license from the Shanghai provincial government.

Austria's EVN Buys 25% Mobil Stake FAIRFAX, Virginia (APX) — Mobil Corp. said Friday that its unit Mobil Oil Austria AG sold a 25 percent stake in an exploration and producing unit to Energieversorgung Niederosterreich AG, an Austrian utility, for about \$50 million.

The unit, called Rohol-Aufsuchungs-Gesellschaft GmbH, was owned 50-50 by the Mobil unit and a Royal Dutch/Shell unit, Shell Austria AG, which also sold 25 percent to ENV. Mobil and Shell each continue to retain a 25 percent in RAG.

TWA Confirms N.Y. Office Closing NEW YORK (NYT) — Trans World Airlines said Friday that it would close its Manhattan reservation office at 2 Penn Plaza and lay off the 450 union members employed there.

The move, part of a major consolidation, will reduce the airline's presence in Manhattan to a small sales office at the same location. The reservations operation, one of four nationwide, will shut down on Oct. 25, the same day a new operating plan for the bankrupt airline is scheduled to take effect. More layoffs are expected to be announced in September, when the airline is to disclose a streamlined flight schedule.

Continental in Accord on Pensions CHICAGO (UPI) — Pension Benefit Guaranty Corp. said Friday it expected to recover \$115 million to \$130 million under a tentative agreement with Continental Airlines settling the federal agency's claims against Continental for Eastern Air Lines' pension-fund liabilities.

SAVINGS: U.S. Confidence Sags

(Continued from first finance page) sumer purchases that fuel two-thirds of U.S. national economic activity.

The Commerce Department said private-sector wages and salaries were up by \$4.5 billion in July from June, but payrolls for industries

producing goods dropped by \$1.5 billion after decreasing \$3.2 billion in June.

The University of Michigan consumer confidence index showed a drop to 76.1 percent in August, from 76.6 percent in July, according to sources with access to the report.

The university generally delays public release of the information for one month.

Separately, the department announced that the U.S. trade deficit widened by 41.8 percent in the second quarter.

The balance-of-payments report showed demand for U.S. goods remained weak as recession undercut major customers in Europe and Japan.

The second-quarter deficit of \$24.4 billion was the largest since the \$27.8 billion deficit in the fourth quarter of 1990, the Commerce Department said.

During the first quarter, the trade deficit had narrowed by 7.1 percent to \$17.2 billion, according to the department's Bureau of Economic Analysis.

Exports, which had been a source of strength for manufacturers in 1990 and 1991, have weakened over the last few months, reflecting the depressed economies of America's trading partners.

Imports have also tapered off as consumers concerned about losing their jobs and paying off debts cut back on spending.

Foreign-exchange traders noted that the sharp movements in the European Monetary System (totally dominated a market where the dollar became a virtual bystander.

"The market has got the dollar down to the level it wants and is awaiting the next piece of news," said Angus Armstrong, economist at Morgan Grenfell. "In the meantime, the ebn and flow of tensions in the ERM make a gripping spectacle."

The dollar closed at 1.2604 Swiss francs, virtually unchanged from Thursday, and at 4.7800 French francs, down from 4.8015 francs.

The pound closed at \$1.9830, edging up from the Thursday close at \$1.9795.

(Reuters, Bloomberg, UPI, AP)

INSURE: More Nordic Troubles

(Continued from first finance page) under state control, sees no need to split up the company as a result of its suspension of payments to creditors earlier this week, a board member, Oyvind Eskeland, said at a news conference.

Baltica until now has remained on the sidelines of the downward asset spiral mutually afflicting the Nordic insurers. But it is expected Monday to report a substantial op-

erating loss for the first half of 1992, analysts said Friday.

Baltica owns 5 percent of Skandia shares, which accounts for a paper loss of 300 million Danish kroner.

The financial newspaper Boersen predicted that most of Baltica's losses would be in building and real estate investments, most notably in a luxurious office and housing complex in Gibraltar.

WORLD STOCK MARKETS

Table titled 'Amsterdam' showing various stock indices and their values.

Table titled 'Brussels' showing various stock indices and their values.

Table titled 'Frankfurt' showing various stock indices and their values.

Table titled 'London' showing various stock indices and their values.

Table titled 'Paris' showing various stock indices and their values.

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U.S. FUTURES

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Table titled 'Livestock' showing various futures contracts and their values.

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Table titled 'Oil' showing various futures contracts and their values.

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Table titled 'Platinum' showing various futures contracts and their values.

Table titled 'Copper' showing various futures contracts and their values.

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Table titled 'Zinc' showing various futures contracts and their values.

Table titled 'Financial' showing various futures contracts and their values.

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Table titled 'Weather Index' showing various futures contracts and their values.

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Table titled 'Option' showing various futures contracts and their values.

Table titled 'Market Guide' showing various futures contracts and their values.

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Poland Acts To Dismiss Strikers at Car Plant

WARSAW — The management at the FSM car factory on Friday began firing workers who have paralyzied the plant with a five-week wildcat strike that has held up a takeover deal by Italy's Fiat SpA.

Further groups of workers might be fired, Mr. Sienianowski added. The dismissal could end an involving about 2,000 strikers, half the work force.

The government, which is formally the owner of the plant, said on Wednesday it was not going to tolerate the delay. The sit-in strike is not supported by any of six unions operating at the plant and is thus considered illegal by the authorities.

The workers stopped producing Fiat's Cinquecento minicar on July 22 to back demands for monthly wages equivalent to 10 percent of its price. That would amount to about \$500, nearly triple Poland's industrial average.

Jaguar Cuts 700 Jobs

The luxury carmaker Jaguar said Friday it would eliminate 700 jobs, becoming the latest British automaker to announce cutbacks amid sluggish sales.

Jaguar, which was taken over by Ford Motor Co. in 1989, said it hoped a new round of voluntary retirement would account for most of the job losses.

The recession has cut into demand for high-priced vehicles in the U.S. and European markets, and Jaguar said its output for 1992 would stay at last year's level of 23,000 with no more than "a modest upturn" next year.

The work force is already down to 8,000 from 12,000 two years ago.

Adia Takes Steps to Curb Rising Losses

LAUSANNE, Switzerland — Adia SA, the troubled Swiss-based temporary-employment agency, posted a sharply larger first-half loss on Friday and took steps to raise capital and cut its debt.

Adia said its majority shareholders, the Swiss businessman Klaus Jacobs and ASKO Deutsche Kaufhaus AG of Germany, had agreed to grant it a 200 million Swiss franc (\$157 million) subordinated loan, which will be converted later into Adia shares under a planned capital increase.

Mr. Jacobs and ASKO together hold 56.1 percent of Adia shares. They acquired control last year from Omni Holding AG, the collapsed flagship of the financier Werner Rey.

They have had to cope with the double blow of the recession, which has hit Adia's employment business, especially in the United States, and the crippling legacy of Mr. Rey's aggressive expansion into a services conglomerate.

Adia also said it had sold Inspectorate SA, its inspection and control company, to management and a venture-capital firm as part of its planned divestment program.

As a result of the sale of Inspectorate and of Interactive Technologies Inc. in May, Adia said it had cut its group net debt to 1.1 billion francs, from 1.29 billion as of Dec. 31.

Adia's group net loss totaled 60.2 million francs in the first half, compared with a 5.7 million franc loss a year earlier.

Noncore business posted a loss of 18.4 million francs, compared with a loss of 2 million. Personnel-services activities recorded a net loss of 41.8 million francs, bigger than 3.7 million a year earlier.

ASKO, meanwhile, posted Friday a sharp drop in group net profit, to 20 million Deutsche marks (\$14 million) in the first half from 75 million DM a year earlier.

ASKO's chairman, Klaus Wiegandt, said earnings were burdened by considerable

costs for restructuring and interest payments. At Friday's annual meeting, ASKO shareholders scrapped a 5 percent restriction on voting rights, paving the way for Metro, a rival Swiss-based retailer, to exert control over ASKO and become the world's second-largest trading group.

Pending approval from the German cartel office, the privately held Metro will raise its ASKO stake to more than 50 percent. The acquisition will boost Metro group sales by 20 million DM. Only Sears, Roebuck & Co of the United States is larger.

Mr. Wiegandt said ASKO was "open-minded" toward Swiss Metro. He said the cooperation promised not only long-term prospects, but also short-term advantages.

ASKO said it planned a capital increase in 1993 and said it expected to cut its losses by 1.5 billion DM in the next few years. The company plans to sell off its noncore subsidiaries.

(Reuters, AFX, Bloomberg)

Mövenpick, Swinging to Loss, Drops Dividend

Compiled by Our Staff From Dispatches

ZURICH — Mövenpick Holding AG reported Friday a net loss of 3.6 million Swiss francs (\$2.8 million) for 1991, after a profit of 22.5 million a year earlier.

The company had a net consolidated operating profit of 2.3 million francs for the year.

Mövenpick said it would propose to omit a 1991 dividend at its Sept. 10 shareholders meeting, after paying a 1990 dividend of 22 percent of par value.

The multinational restaurant op-

erator said it expected to return to profitability this year.

It also said it would allow foreigners to buy stock this year for the first time, in line with the recently implemented revision to Swiss company law.

Write-downs and provisions rose to 63.4 million francs in 1991, from 52.7 million the year before.

Mövenpick had earlier announced that consolidated 1991 sales rose to 1.121 billion francs, from 1.019 billion a year earlier.

Cash flow fell to 68 million francs from 69.4 million.

The company's president, Wolfgang von Hagen, said business developed as expected in the first quarter of this year.

He said the recession caused a drop in consumer spending, leading to a stagnation in sales in the second quarter.

An improvement in operating earnings is expected in 1992, with a "return to a generally positive group result," he said.

A board delegate, Beat Kaufmann, attributed the 1991 loss to extraordinary write-downs and provisions. He said earnings were affected by "structural and leader-

ship problems" as well as by the recession.

"Risks had to be revalued, earnings expectations revised and bigger provisions had to be made," Mr. Kaufmann said. He said restructuring measures were made in the restaurant sector.

"Restructuring measures need time until they have an effect on costs," Mr. Kaufmann said. "There are no quick solutions. Added to the still-existing structural problems is the recession, which is having a dampening effect on sales and earnings."

(Reuters, AFX)

Aegon's Operating Profit Up

Compiled by Our Staff From Dispatches

THE HAGUE — The Dutch insurer Aegon NV reported Friday a 12.3 percent rise in net operating profit for the first half of 1992, and maintained its forecast of a full-year operating profit clearly higher than 1991's 712.8 million guilders (\$449 million).

In the first half of 1992, net operating profit rose to 377.7 million guilders from 336.4 million a year ago. Net operating profit per share increased to 3.82 guilders from 3.78.

Aegon reiterated that full 1992 net operating profit per share should be at least equal 1991's 7.78 guilders. The 1992 per-share increase will lag the rise in net operating profit because of stock dividends and the conversion of convertible bonds into shares last year.

In the first half of 1992, pretax operating profit rose sharply in the United States. Practically all insurance operations contributed to the gain, with Western Reserve Life showing the strongest growth.

Results also improved considerably in Britain but a poor performance from car insurance dragged down earnings in Belgium. Profit at the Dutch-based mortgage bank FGH Bank was lower because of the depressed U.S. real estate sector.

Income of Dutch insurance operations increased, reflecting both higher premium income and higher investment income.

(Reuters, AFX)

Cimentos de Portugal Bids For a Spanish Producer

Compiled by Our Staff From Dispatches

MADRID — Cimentos de Portugal SA, the state-owned cement company, said Friday that it had acquired 24.9 percent of Corporación Noroeste SA, a Spanish cement and building-materials producer, and had submitted a bid for the rest.

Cimentos de Portugal, known as Cimpor, paid 36,700 pesetas a share for the stake of about 216,860 shares it already holds and is offering 37,100 pesetas each for the 654,092 shares remaining.

Cimpor has reached agreement with shareholders representing 25.7 percent of Noroeste to accept the offer, which is pending authorization by Spain's National Securities Market Commission.

A group of shareholders representing about 30 percent of the company — the Fernandez Fronte, Lopez Castellani and Parga families — has expressed opposition to the offer, arguing that they were not consulted. But an official of Barings Brothers Español SA, acting as advisors to Cimpor, said he did not expect the bid to be regarded as hostile.

The bid, valid for one month, is not subject to any minimum take-up. Cimpor has five cement plants with a 6.5 million-ton combined capacity. Its 1991 sales were 5.5 million tons, or 75 percent of the Portuguese market.

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"Restructuring measures need time until they have an effect on costs," Mr. Kaufmann said. "There are no quick solutions. Added to the still-existing structural problems is the recession, which is having a dampening effect on sales and earnings."

It forecast further that short-term interest rates might move up a little in the United States in the second half while high rates were likely to persist in Germany until the end of the year.

The bank also said that the dollar "should firm up" against the European currencies.

(Reuters, Bloomberg, AFX, AP)

UBS Feels Cash Flow Slowdown

Compiled by Our Staff From Dispatches

ZURICH — Union Bank of Switzerland, the country's largest, said Friday its first-half cash flow of 1.5 billion Swiss francs (\$1.09 billion) was up from a year ago, but the second quarter was not as good as the first.

"Although the year got off to a brisk start," the bank said, "the continued economic weakness recorded in most industrial nations and the investor caution seen on the foreign-exchange and particularly the securities markets led to a slowdown in the growth of business operations in the first half of 1992."

The bank said that its first-half group profit was 682 million francs. No comparison was given, as this was its first consolidated mid-year report.

Consolidated net profit in 1991 was 1.22 billion francs, up from 896.7 million in 1990.

In spite of the second-quarter slowdown, the bank said prospects for its business in the second half of this year were "basically positive."

The bank said trading and service activities were likely to pick up while prospects for the loan business looked less favorable.

The bank said its second-half optimism was based on expectations of economic, interest-rate and exchange-rate developments. "We believe that by the end of this year we shall see an end to the economic declines in all the major industrial nations and in 1993 the beginnings of a long-term recovery," it said.

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The bank also said that the dollar "should firm up" against the European currencies.

(Reuters, Bloomberg, AFX, AP)

Investor's Europe. Table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, and various stock indices with their respective values and changes.

Very briefly:

- Lloyd's of London management survived a vote of confidence on Friday, despite heavy losses in the insurance market; 18,508 members expressed confidence in the management, 4,543 voted against.
• Wells AG, a German hair-care and cosmetics company, said first-half pretax profit edged up 2.5 percent, to 64.1 million Deutsche marks (\$45.8 million), from a year earlier.
• France's gross domestic product at market prices rose 0.1 percent in the second quarter from the first, following a revised first-quarter increase of 0.9 percent, the statistical office INSEE said.
• The French seasonally adjusted unemployment rate was 10.3 percent in July, unchanged from June, but the number of job-seekers fell 13,300, or 0.5 percent, the first drop since August 1991.
• Switzerland's second-quarter gross domestic product fell at a seasonally adjusted annual rate of 0.4 percent from the first quarter and was down 0.3 percent from a year earlier.
• Norsk Data A/S said its bearer-bond repurchase offer, which includes offers for cash and cash plus warrants, was accepted by 63 percent of bondholders, less than the 90 percent acceptance level it required; Norsk will therefore extend the offer, keeping the terms unchanged.
(Reuters, Bloomberg, AFX, AP)

DG Bank Gets 1.8 Billion DM Injection

Compiled by Our Staff From Dispatches

FRANKFURT — DG Bank Deutsche Genossenschaftsbank said Friday that shareholders had agreed to pour 1.8 billion Deutsche marks (\$1.27 billion) to shore up its beleaguered finances.

Management had asked for 2.37 billion DM. Chief Executive Bernd Thiemann said that net profit for this year, which he estimated at 158 million DM, would be used for dividend payments on preference shares.

Referring to a scandal involving bond-repur-

chase transactions two years ago with French banks, Mr. Thiemann said, "We still haven't quite shaken off the stigma of that affair, nor the dent in our business."

"After the scandal we never got back to our feet in France," he said. The affair completely swallowed up a 1991 capital injection of 1.4 billion DM for what Mr. Thiemann called "damage repair" and left the bank without means to pay interest on participation certificates. (Bloomberg, Reuters, AFP)

BUCK: Americans Sweating It Out

(Continued from first finance page)

at the Moss military base near Brussels, they dreamed of buying a \$2,600 oak bookshelf, Judith Havemann of The Washington Post reported. By the time they made up their minds, the cost had gone up to \$3,000 as the value of their dollars tumbled.

For many American companies, the lower dollar helps the balance sheet by making their products cheaper and more attractive. Indeed, U.S. exports have more than doubled since the dollar was at its peak in 1985.

And although international companies incur additional costs in maintaining workers abroad, only 0.8 percent of the employees of American companies in Europe are

Americans, according to Calvin Reynolds, head of Organization Resources Consultants, a management consulting firm.

Those employees have become expensive to protect against the dollar's sagging value. Mr. Reynolds said his most recent survey of the cost of buying comparable goods and services in major European cities showed large discrepancies.

If the cost of living in Washington is 100, in Paris it is 196 for the same lifestyle, in London 195, in Frankfurt 182, and in Brussels 201, according to Mr. Reynolds. "In the short run," said Jan Vyver, director of public relations for Upijoh Europe, "we are at a breakeven level. We gain from sales, we lose in salaries."

COMPANY RESULTS

Table with columns for Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated. Lists companies like PTT Nederland, Hormel (Geo. A.), UBS, Westvaco, etc.

NYSE Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press (Continued)

Large table of stock market data including NYSE, NASDAQ, and various international indices with columns for stock names, prices, and changes.

Advertisement for the International Herald Tribune. Includes text: 'The U.S. election', 'Civil war in Yugoslavia', 'The breakup of the Soviet empire', 'Partition in Czechoslovakia', 'The global recession'. Promotes subscription with '46% off the newsstand price'. Includes a coupon form for subscription and contact information.



Taiwan Will Ease China Rule

TAIPEI — Taiwan will allow companies to invest in China without setting up subsidiaries in three countries, the Economics Ministry said on Friday.

Taiwan companies will still be required to remit investment capital to China through financial institutions in three countries, maintaining Taipei's ban on direct links with the mainland, said the vice economics minister, Lee Shu-chiu.

"This will make it easier for our businessmen to invest on the mainland and lower their costs, particularly for small and medium-sized enterprises," Mr. Lee said.

Taiwan businessmen are required to use subsidiaries or affiliates in three countries to invest in China. Taiwan investment on the mainland has soared to well over \$3 billion since political tensions between the governments began to ease in the late 1980s.

Mr. Lee said the regulations would go into effect after cabinet approval, expected as early as next month. Earlier this month, the Finance Ministry released rules that will allow Taiwan banks to deal directly with their Chinese counterparts. Those rules are expected to take effect by early next year.

Warning on Shenzhen Fraud

BEIJING — Police in Shenzhen, south China's economic boomtown where investors this month noted to get forms for an experimental stock market, are warning residents that counterfeit forms have begun to circulate.

The Yancheng Evening News, in a report seen Friday in Beijing, said Shenzhen police had found 10 fake forms to date.

The forms, which are eagerly sought after by investors, offer a chance to enter a lottery to buy stock on Shenzhen's fledgling stock market — one of two experimental exchanges in China.

Earlier this month, more than 1 million would-be investors swamped Shenzhen when the city issued genuine forms. Investors noted when the forms ran out, forcing police to use tear gas.

A flourishing black market has sprouted for genuine forms.

Next Korean President Must Rule on Sunkyong

SEOUL — South Korea scrapped Thursday the controversial choice of a consortium linked to a relative of President Roh Tae Woo as licensee for a second mobile-telecommunications system, handing the selection over to the next government.

Communications Minister Song Eun Jong said his ministry could not go ahead with the project because Sunkyong Industries Ltd., which was awarded the license last week, had returned it in the face of nepotism charges.

The son of the Sunkyong chairman, Chey Jong Hyon, is married to the daughter of Mr. Roh, whose term ends in February.

(Bloomberg, AFP)

Brierley Joins Maoris in Bid

WELLINGTON — Brierley Investments Ltd. said Friday it had joined with a multibillion Maori group to mount a government-backed bid to buy New Zealand's biggest fishing company, Sealords.

The move followed Prime Minister Jim Bolger's announcement Thursday of a "bold and fair" final resolution "over Maori claims to the huge fishing resources."

He said the government would fund the Maori tribes' side of the bid for Sealords, currently owned by Carter Holt Harvey and worth between 250 and 300 million New Zealand dollars (\$134 million to \$161 million).

Seoul Lifts Clamp on Hyundai

SEOUL — Hyundai Group's banks will end financial sanctions imposed on the company for making unauthorized loans to the group founder, Chung Ju Yung, and his family, because the loans have been repaid, a government official said Friday.

"Today the bank withdrew all punitive measures, including a ban on fresh loans, against Hyundai," said Park Myung Ho, manager of the Korea Exchange Bank, the main creditor bank for Hyundai. He was confirming a statement from the Office of Bank Supervision.

The financial penalties started June 1 after Hyundai's 13 subsidiaries defied government orders to collect outstanding loans totaling 20.7 billion won (\$257.6 million) to Mr. Chung and his family.

Mr. Park said the exchange bank was notified Thursday that Hyundai had repaid the final 151.4 billion won of the total. Mr. Chung and his family sold shares of Hyundai Heavy Industries Co. to Hyundai employees to pay off the loans, said a Hyundai spokesman, Park Il Kwon.

The withdrawal of credit penalties was expected to ease the recent financial troubles of some Hyundai companies. "Hyundai Motor Co. and Hyundai Precision & Industry Co. may now be able to go ahead with delayed factory investments," said Ha Sang Ju, chief corporate analyst at Daewoo Research Institute.

Because of the restrictions, Hyundai Engineering & Construction Co., the group's flagship unit, had had to borrow from foreign banks at interest rates of 19 percent to 20 percent.

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Nissan Sees a Loss as Japanese Firms Slash Estimates

TOKYO — As the Japanese government unveiled its stimulus package for the faltering economy, a number of major corporations announced Friday that they were slashing their earnings forecasts for the financial year as a result of the economic gloom.

The most notable cuts in estimates came from Nissan Motor Co., and from Toshiba Corp. and NEC Corp.

Nissan said it now expected a parent current loss of 15 billion yen (\$119.7 million) in the year

to March 31, 1993, against a May forecast of a 40 billion yen current profit. Nissan posted parent current profit of 87.76 billion yen in 1991-92.

This will be Nissan's first parent loss since 1951, when its shares were listed on the Tokyo Stock Exchange, a spokesman said. Nissan said it would cut its annual dividend by half, to 7 yen.

Toshiba said parent current profit at Toshiba would fall 15.2 percent, to 60 billion yen. It had previously forecast profit of 75 billion yen. The company blamed sluggish sales of semiconductor, personal computers and air conditioners.

NEC Corp., which makes computers, semi-conductors and communications equipment, lowered its parent current profit forecast for 60 billion yen for the year to March 31, 1993, from a previous forecast of 88 billion yen. NEC posted actual 1991-92 profit of 80.01 billion yen.

Others lowering forecasts included Matsui & Co., a big trading house; Nippon Mining Co., a metal miner and petroleum refiner; Mitsubishi Ltd. and Matsuya Co., retail chains; and Komatsu Ltd., a maker of heavy equipment.

(AFX, Bloomberg, AP, Reuters)

TOKYO: Japan's Rescue Package for Economy Totals 10.7 Trillion Yen

(Continued from page 1) will go toward buying land, which contributes little to economic growth. Low demand for capital will also mean that much of the package's loans will go unrepaid.

The true amount of fiscal stimulation will probably be no more than 6 trillion yen, a sum that would add about 1 percent to GNP over each of the next two years.

"The headline of 10 trillion yen shows how desperate the government is to boost confidence," said Jesper Koll, an economist at S.G. Warburg Securities.

Although the Finance Ministry official said stimulation of the real economy was the main goal of the package, economists took greater cheer from measures to build a lifeline for the financial system.

The main program is a plan to

set up a company to buy property held as collateral for problem loans. The government said Friday that the entity, similar in concept to the Resolution Trust Corp. used to rescue the collapsed U.S. savings and loan industry, would be set up by the end of 1992.

"The aim is not to support the real-estate market," a senior official said, "but to give banks momentum to dispose of collateral and get rid of nonperforming assets."

Still unclear, however, is whether the entity will be structured as a private or public company, how it will determine which properties to buy and how it will assess real-estate values. Even once it begins operations next year, it could take years for banks to get rid of unwanted real estate.

Analysts also said they doubted the impact of measures aimed specifically at shoring up the equity market. These included an increase of 1.12 trillion yen in the amount that can be invested in stocks by the Postal Life Insurance Welfare Corp. and other public institutions.

The increased allotment will not necessarily go into the equity market. And even if it did, it would be unlikely to have a major impact. In 1965, when the government sought to save the sagging stock market, it bought up nearly 10 percent of the market. To buy as much today would cost more than 28 trillion yen.

Another uncertainty is how the government will finance the additional spending. The Finance Ministry hopes to rely upon construction bonds, borrowings from the huge postal savings system and an increased contribution from local governments. But given a falloff in tax revenues, the central government may have to issue deficit-covering bonds next year or raise taxes.

Japan will be short of more than 10 million workers by 2010, according to a private study released Friday, even if more women and elderly people join the work force.

Reuters reported from Tokyo.

Labor Shortage Predicted

Japan will be short of more than 10 million workers by 2010, according to a private study released Friday, even if more women and elderly people join the work force.

Reuters reported from Tokyo.

For investment information read THE MONEY REPORT every Saturday in the IHT

Investor's Asia table with columns for Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225, and various regional indices with their respective values and changes.

Very briefly: The Hong Kong government economist, K.Y. Tang, forecast a 9.5 percent rise in consumer prices in 1992 and a 5 percent gain in gross domestic product; both figures were unchanged from a May projection. In the first half, GDP rose 4.7 percent, the government said.

Large table of international fund listings with columns for fund names, currencies, and other details.

Main table of international fund listings with columns for fund names, currencies, and other details.

THE MONEY REPORT

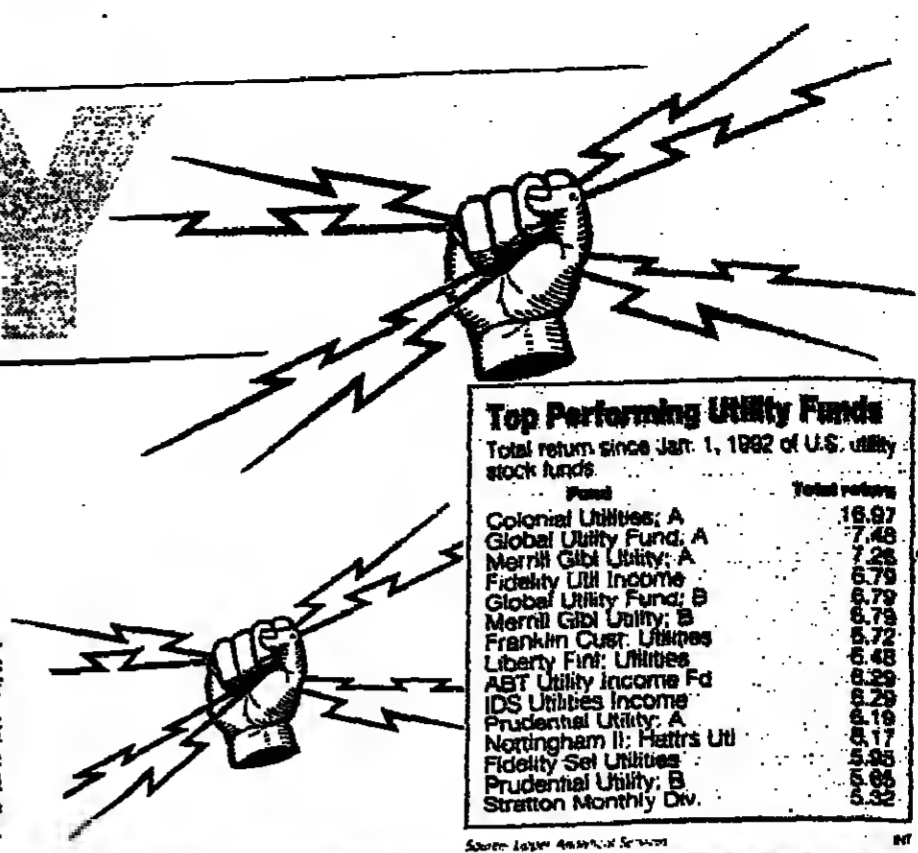


Table titled 'Top Performing Utility Funds' listing various funds and their total returns since Jan. 1, 1992.

FIRST COLUMN

A Penny For Your Thoughts?

WHO needs regulators anyway? Critics of the various systems of regulation around the world's markets argue that the job of the regulator is no more than a sophisticated pension for tired civil servants and financial services tyros who never quite made it to the top.

With Rates Low and Stocks Edgy, Utilities Aren't Boring Any More

By Conrad de Aenlle

UTILITY stocks, often dismissed as boring securities that grow more slowly than most, are getting a fresh look from battle-weary investors who have seen equity markets around the world take sudden turns for the worse this summer.

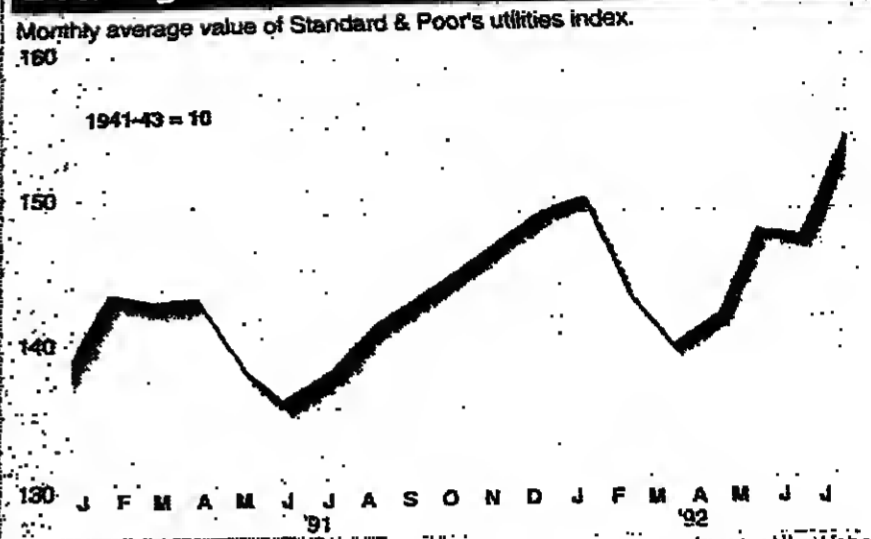
doubts arose about the depth and breadth of the recovery in the United States, to the point where people questioned recovery, and interest rates swooped down.

The cliché is that utilities are low risk and suitable for widows and orphans. But the S&P utilities index has significantly outperformed the broader S&P 500.

last 5-, 10-, 15- and 20-year periods, the S&P utilities index significantly outperformed the broader S&P 500.

which the dividend can be expected to rise. And if long-term interest rates, which have been falling, continue to go up, as Ms. Hoff foresees, then prices should rise even further.

Beating the Market



Ms. Hoff expects to exceed that by 5 to 10 percent. Other markets the fund is in, or plans to be in soon, are Italy, Germany, Spain, France, Sweden, Mexico, Argentina, Brazil and Hong Kong.

ties the regulators will intervene? and enforce a less-favorable pricing structure. "That may undermine investor confidence."

Latin American Stocks Sustain the Pace

JUST when investors thought that Latin American stocks, last year's darlings, might be losing some of their glitter, fund managers' interest is building in, of all places, Colombia.

A New High



Carrion expects a return on her fund of 30 percent to 50 percent this year.

think the easy money has been made and the market is getting a bit rich," said Mr. Mahony of Baring, whose fund — which has shown a one-year return of roughly 100 percent since July 1991 — was the first to invest in Colombia in December 1991.

Advertisement for International Fund Investment (IFI) magazine, featuring the cover image and the headline 'Good Times, Bad Times'.

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IFI offers the fund industry a forum for debating the key issues.

Subscription form for IFI magazine, including fields for name, address, and payment method.

BRIEF CASE

Discount Broker for Europe As Schwab Goes to London

The American discount brokerage Charles Schwab & Co. said it plans to open a branch in London before the end of the year and expects to open offices in France and Germany in 1993.

No Airlines at This Hub, It's a New Mutual Fund Idea

If you're a really serious mutual fund investor — so serious that you'd rather

Concept your time discussing the latest concepts in the industry with the professionals rather than idling your time away on the beach, November's offshore and onshore "Hub and Spoke" fund conference in Grand Cayman is for you.

The concept involves a "hub," or money with one investment purpose, with "spokes" funneled off the hub to conform with an individual country's regulatory and market requirements.

Handwritten note: 150

THE MONEY REPORT

Investing in the Love of Language With Antique Books

By Barbara Rosen

**I**N the vast and varied world of book collecting, the supply is pretty well fixed: It's the demand that changes. There are, for example, those who pay thousands of dollars for a letter from George Bernard Shaw. And then there's the lady who returned an 1820s book because she didn't like how it ended.

The book market moves largely on personal preferences, and it doesn't usually move fast. Though increasing numbers of collectors are in it for the money, most are still motivated by love.

Compared with the fine art market, says Tom Lamb, associate director of the book department at Christie's London, "you find fewer cases of people saying, 'I must buy this person because he's going to be big next year.'" Still, fashion does play a role. Shaw and Robert Louis Stevenson are among current favorites, says Roy Davids, head of the book and manuscript department at Sotheby's London.

"Ten years ago, Shaw was not collected at all," he says. "Two people have come along who think that Shaw is the cat's whiskers. It only takes two." A Shaw letter that would have sold for £20 (£40) in the early 1970s commands \$2,000 today, he says.

Of course, fashions go as well as come. Book experts like to cite novelist and playwright John Galsworthy, who died in 1933 and whose works, which include "The Forsyte Saga," simply got outdated. "Galsworthy has never recovered the relative position he occupied during the '20s," says Nicholas Poole-Wilson, managing director of Bernard Quaritch Ltd., antiquarian booksellers in London.

Generally, collectible book appreciation is a question of "slowly but surely," explains Dominique Coq of the Librairie Pierre Beres in Paris. The collector who bought 19th-century French novels like Flaubert, Stendhal and Balzac in the 1950s or '60s, concentrating on *titres de tête* (extra-special copies of a first edition), could triple his money by selling today, Mr. Coq says. But a single such copy of Baudelaire's "Les Fleurs du mal" poems hasn't moved much in 10



A drawing from John James Audubon's "The Birds of America." An original four-volume set of the work sold for \$4.07 million at auction at Christie's New York in April.

years: It's still worth around 120,000 francs (\$25,000). Collectors' enjoyment of their treasured tomes is usually an arm's length affair. "More books are sold in the book world than people can't read or don't read than ones that people can," says Mr. Davids, who keeps paperbacks of the modern poetry he collects for reading, and keeps the good stuff on the shelf. Many collectors snap up translated or foreign editions, regardless of whether they know the language. But language affinities do appear. "It's rare that a Frenchman buys Goethe in the original language, or Dickens," Mr. Coq says. "It's a French flaw." Rich Greek expatriates are helping keep Greek classics strong, Mr. Poole-Wilson says. He notes that a "moderate" condition copy of the 1513 Aldine edition of

Plato — the first printed appearance of Plato's works in the original Greek — fetched £25,300 at Christie's in June, and could have had for £5,000 10 years ago. (Auction prices include buyer's premium unless otherwise noted.) Nautical types keep the "Voyages" of Captain James Cook on a rising tide, says Ben Burdett of Sotheby's of Sackville Street, also a London antiquarian bookseller. The complete eight volumes plus atlas sold for £25,300 at Sotheby's in June; comparable sets changed hands for around £18,000 in the past year, Mr. Burdett says. Although condition (and later color) often affect price, mixing volumes doesn't have to. The Sotheby's set contained volumes from the first and second editions.

Even chapbooks — simple, easy-reading, illustrated books produced in the 18th and 19th centuries and peddled by traveling salesmen known as chapmen — are flourishing, says Rosie Barker, an antiquarian children's bookseller in New York. He arranged the sale of a first-edition "Alice's Adventures in Wonderland" (there are only 23 known survivors of the original 1865 printing) for £135,000 about three years ago. The first edition (1789-94) of William Blake's "Songs of Innocence and of Experience" fetched the then-equivalent of about \$163,000 at auction in 1979 — and \$1.32 million 10 years later. First printings of the first edition of Beatrix Potter's "The Tale of Peter Rabbit" were auctioned for the then-equivalent of \$930 in 1975 — and \$35,000 in April.

Picture books for grown-ups also have a wide appeal. Modern illustrated books, such as those teaming famous writers with famous artists, have long been popular in France, Mr. Coq says. Such art books suffered with the art market, but a recent sale offers hope, he says: A signed copy of "Saint Matoriel," with text by Max Jacob and illustrations by Picasso, brought 380,000 francs (plus premium) at Drouot in June. Four years ago, it might have fetched 200,000 to 300,000 francs, he says.

While art collectors collect art books, art speculators have been moving into the book market in search of sure things, Mr. Coq says. Investment-minded book-buyers are a new and growing breed in the last 10-15 years, he says. They aspire to the likes of the Gutenberg Bible, the world's most expensive book. One of its two volumes brought \$3.9 million at Christie's New York in 1987.

The Modern Values

**W**HEN is a book a collectible? They do have to have stood the test of time for at least a few decades before they're definitely a collectible item, says Rosie Barker, do you want them to collect the manuscripts of modern writers like Julian Barnes, Alan Ayckbourn and Harold Pinter, says Anthony Rota, managing director of Bertram Rota Ltd., an antiquarian bookseller associated with London Limited Editions. "If one could get hold of such things they would be very good to hold, because they show signs — so far as one can tell — of staying the course as far as reputation," he says.

But the modern manuscript market is largely institutional, and newcomers may find themselves competing against the likes of Cambridge University or the University of Texas at Austin's Harry Hunt Ransom Humanities Research Center. Holding the missing piece to an institutional collection can turn out to be profitable. Evelyn Waugh gave the signed and corrected manuscripts of his second novel, "Vile Bodies," to Bryan and Diana Guinness, to whom he dedicated the book. He wrote on it, "I am afraid that this will never be of the smallest value but I thought that, as it is your book, you might be anxious to have it." Bryan Guinness gave it to his son Jonathan, Waugh's godchild. This history, according to Christie's, explained why, in 1985, this Waugh manuscript alone hadn't ended up at the University of Texas. It sold that year for £59,400.

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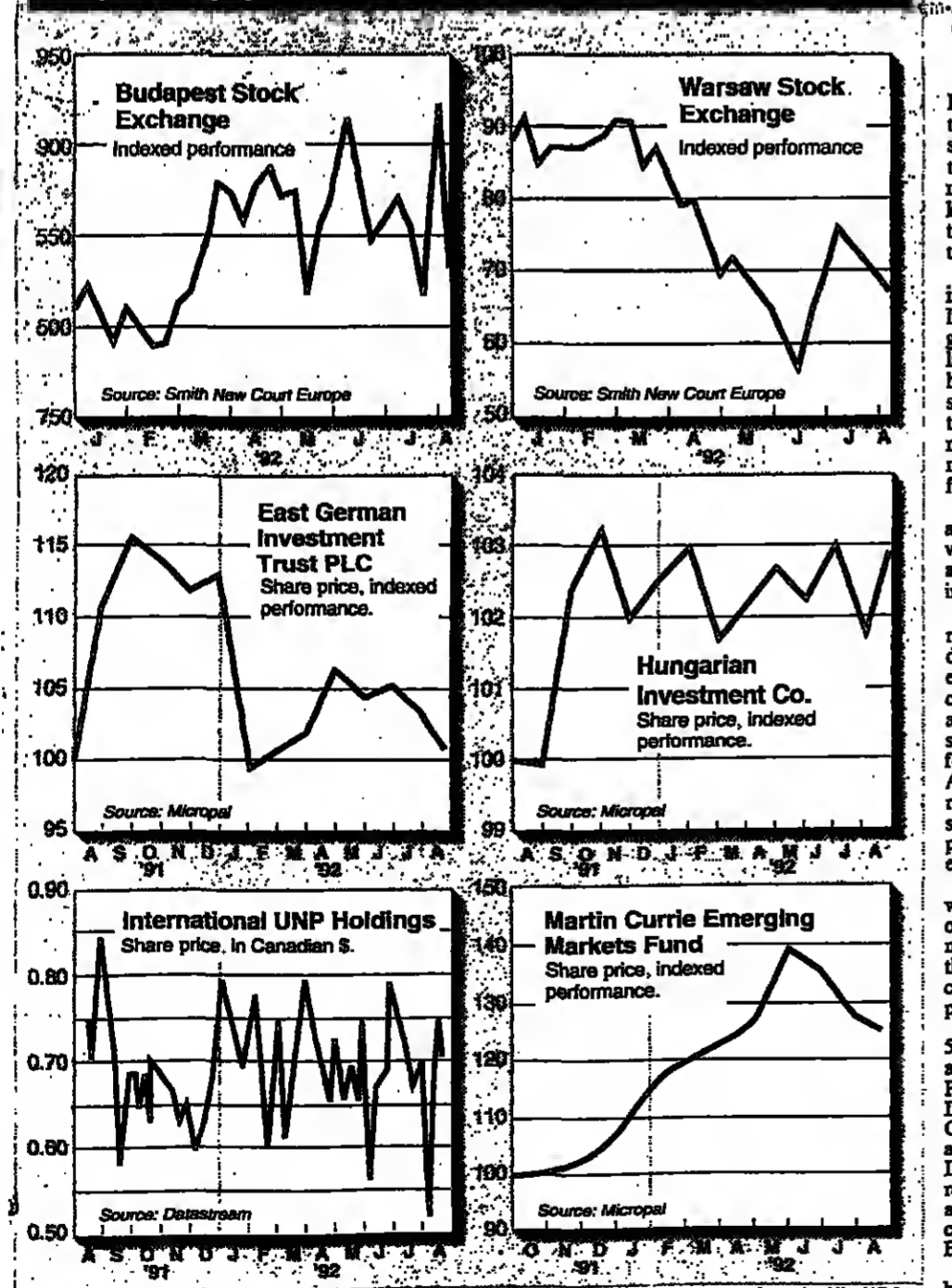
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David. John James Audubon's "The Birds of America" weathered the storm: An original four-volume set sold for a record \$4.07 million at Christie's New York in April. This is one field where bottom-liners have been clearly spotted among the nature-lovers: They're the ones who buy for parts, breaking up books to sell pages to decorators seeking flower printers. "They call them breakers," says Mr. Davids, adding discreetly, "We are pleased when we raise the value of a book above the value that a breaker can pay for it."

Still, even true book-lovers do sell, though intact, of course. They run out of shelf space. A fulfilled quest turns boring. They need money for their kids' education. Sometimes priorities simply change, says Mr. Davids: "I remember one person who decided in his 70s he wanted claret more."

Equity Opportunities Multiply as Eastern Europe Goes to Market

The Pulse of the New Markets



By Philip Crawford

**S**TOCK markets are already up and running in Budapest and Warsaw, and the Prague bourse should ring before the year's end. The privatization of state-owned businesses throughout the former Soviet bloc continues rapidly. And western corporations keep pouring in resources, hoping to cash in on the unique opportunities of the vast eastern frontier.

What does it all mean to the individual investor? Do one-in-a-lifetime chances to get in on the ground floor of a nascent market lay in wait from the Baltics to Bohemia? Or does the politically unstable, sharply volatile, illiquid nature of the Eastern European market at this point in its development make it one to avoid until the footing becomes a little surer?

Many analysts of the region have a common piece of advice for investors: Yes, unique opportunities are there, but be aware of the risks indigenous to the area. The attractions of Eastern Europe for western business and industry, and thus for its shareholders, are obvious: Labor is considerably cheaper, with wages as low as 10 percent of western pay standards in some cases. The work force is generally highly skilled. And geographical proximity to the rest of Europe places the vast, consumer-oriented western marketplace virtually at the doorstep of emerging new enterprises.

International fund monitors Mirocap, starting Nov. 8 for four days. For information, send a fax to Signature in Boston (1 617) 542 3815, or Mirocap in London (44 81) 741 0929.

**Fleming Rides the Rebound On Jakarta Stock Exchange**  
Investment manager Jardine Fleming has announced the interim results for the JP Indonesia Fund Inc., a closed-end investment company listed on the Hong Kong stock exchange. The fund benefited from the Indonesian equity market's strong first half, during which the market rose 24.2 percent, according to Jardine Fleming's own index. The fund marginally outperformed that market average, recording a gain of 24.8 percent.

**Jardine Matheson Reports Forging of Its Certificates**  
Individuals in possession of forged share certificates in Jardine Matheson Holdings Ltd. have been arrested in the United States, the company reports. The certificates were of large denomination blocks of 30,000, 35,000 and 40,000, which would have made them less easy to trade. The company reports that the police investigations are continuing.

**One More Confidence Blow To Britain's Stock Market**  
British investors are losing confidence in the market, according to a recent poll carried out by Pearl, the insurer and investment manager. The Pearl Investor Confidence Index surveyed 2,000 respondents during early August; it registered the steepest fall in confidence since the index began in March 1991. Investor confidence is now 25 percent lower than just after the British election in April. Despite that lack of confidence, better-off respondents still felt rich enough to spend money on luxury items, the survey revealed.

vestment waters, currencies that are not fully convertible and relatively unsophisticated trading and settlement procedures, all of which can dry up liquidity. Banking stability is also a question, as many eastern banks own large shares of fledgling enterprises as part of their assets. If the companies fail, so can the banks.

**There are some 50 publicly quoted companies in Eastern Europe, and the number could jump to 200 next year. But there are few reliable mechanisms for valuing stocks.**

stalt-Bankverein, the state-controlled Austrian bank, which has been active in the East European market. "Settlement is a joke." So, aware of such pros and cons, where can the individual turn to invest in Eastern Europe? There are several possible routes: Buying into a fund that focuses on a specific country, purchasing shares directly in a company quoted on the Budapest or Warsaw exchange through a broker, or buying into one of the many "Emerging Markets" funds that have some exposure to Eastern Europe.

Another way would be to buy shares such as those in Toronto-based International UNP Holdings, whose sole business is investing in Polish companies. Investors might also seek an indirect exposure by acquiring shares of established western enterprises that have made East European acquisitions or established joint ventures.

Not all of the country funds are open to individual, as opposed to institutional, investors. Of those that are, however, several are mentioned frequently by analysts as viable entries to the eastern market. They include the Hungarian Investment Co., managed by John Govett Unit Management in London; the East German Investment Trust PLC, run by Ermagessen & Co., a London-based corporate financial advisory, and the Czechoslovakia Investment Corp., just launched by Robert Fleming & Co., also in London. All are listed on the London Stock Exchange.

Claims like that have to be treated with some skepticism in this part of the world, though. "There are difficulties in dealing in this market," says Stephen Wood, who manages John Govett's Hungarian fund. "A central problem is that, as yet, there are few reliable valuing mechanisms — ways to show that your net asset value is a valid reflection of the underlying investments in your portfolio. Developing an emerging market is a matter of identifying value locally, and here, that's somewhat of a turgid process."

Czechoslovakia does offer exciting possibilities," said Roddy Sale of Robert Fleming. "Manufacturing wages there, for example, are \$3 to \$4 per hour, compared to \$21 per hour in West Germany, and we're looking to invest in many different types of companies. This fund has already raised over \$30 million."

A somewhat offbeat opportunity exists for investing in Poland, through International UNP Holdings of Toronto. Publicly traded on the Vancouver Stock Exchange, UNP's major activity is offering help in the privatization process to Polish companies that it deems promising and, in so doing, acquiring majority ownership. Investors who buy shares in UNP are, in effect, buying shares in Polish companies.

UNP's management says most of the companies it's interested in are of the "nuts and bolts" variety, often manufacturing concerns. "We take state-owned enterprises, apply a valuation formula, and roll them into brand new limited liability companies," said Justin Bonar, UNP's general manager. "It's our intention to add value to the enterprises by providing western management and technological expertise, which will hopefully aid their success. We're not, however, usually involved in day-to-day management."

over 8,000 state-owned enterprises to choose from, and we only look at the profitable ones." For investors interested in navigating the choppy eastern equity waters themselves, shares in Hungarian and Polish companies can be purchased directly through brokers in Budapest and Warsaw, as well as through some in London and New York. Budapest-listed companies are also available through the Vienna Stock Exchange. Some analysts feel that certain eastern equities are attractive buys.

Among the most frequently recommended Hungarian companies are Fotex, a conglomerate involved in film processing, furniture and crystal manufacturing, and real estate; Skala-Koop, a supermarket chain; and Styl, a textile manufacturer. "Fotex is positioned to sell to the upper quarter of Hungarian consumers, and we foresee strong earnings growth," said Mr. Muir-Carby of Smith New Court. "Skala-Koop has seen heavy losses as a result of the downturn in the overall Hungarian economy, but it's very well positioned for recovery at these levels."

Mr. Muir-Carby added that Styl looks attractive because of its status as a major supplier to Bamler, the popular German clothing retailer. In Poland, three off-cited companies are Okocim and Zywice, both breweries, and Exbud, a construction company. "The beer market is there in both good and bad times," said Mr. Muir-Carby, "and Okocim and Zywice are trading at one-half to one-third of western brewery multiples. We also feel that Exbud is a strong company."

**A**NALYSTS who have positive things to say about East European markets are typically quick to point out the uncertainties as well. But there are also those who see no upside at all. "For the individual investor, Eastern Europe is an idea whose time has yet to come," said Mr. Riley-Pitt of Creditanstalt. "What's required there is, yes, capital, but more importantly, western technology, marketing, packaging, the whole shooting match." "What you have to develop is a shareholding culture, one directed toward calculated risk-taking, and that hasn't even really happened in France or Spain, let alone in Eastern Europe. For an individual, executing and setting trades would be a torturous thing. Meanwhile, American compa-

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# SPORTS TENNIS

## Connors Gets Tough Open Draw

By Robert McG. Thomas Jr.

**NEW YORK** — Next week's opening round of the U.S. Open shaped up as a yawn as the big names of tennis drew generally easy first-round opponents, but don't nod off too soon.

The fireworks could begin as early as the second round. That's when last year's sentimental scoundrels and this year's haters of the sexes — Jimmy Connors and Martina Navratilova — could face their first serious opposition.

Top-seeded Jim Courier opens against Alex O'Brien, the collegiate champion who is ranked 85th.

The most interesting first-round matchup in the draw announced Thursday pits fifth-seeded Goran Ivanisevic of Croatia and 56th-ranked Marc Rosset of Switzerland in a showdown of big servers. Rosset, the Olympic gold medalist, defeated Ivanisevic in three sets in Barcelona, and the Croat returned the favor in New Haven, Connecticut, last week.

Connors, who electrified the 1991 Open by hitting his way to the semifinals at the age of 39, won't have it easy this year, and not simply because he's a year older and nursing a strained thigh.

If he gets by Jaime Oncins of Brazil (No. 51), the 33rd-ranked

Connors, who didn't meet a seeded opponent until the third round last year, should run smack into ninth-seeded Ivan Lendl, the three-time champion. Lendl faces Jaime Yzaga of Peru (No. 57) in the first round. The Lendl-Connors victor could

possibly play seventh-seeded Boris Becker in the fourth round; last year's champion, Stefan Edberg, seeded second, in the quarterfinals, and fourth-seeded Michael Chang in the semifinals.

On the women's side, the third-

## Edberg Hones His Form

New York Times Service

**COMMACK, N.Y.** — Stefan Edberg's ambivalence toward tennis on hard courts once cast him as the prince of indecision.

But after dismissing Jimmy Arias, 7-6 (7-3), 6-2, in the second round of the Waldbaum's Hamlet Cup on Thursday, the 26-year-old Swede reiterated that he has buried his doubts about the surface as he prepares to defend his U.S. Open title.

"For a long time, I had a tough time trying to win any Grand Slam tournament besides Wimbledon," Edberg said. "But winning the Open last year was a great step in my career. I played unbelievable tennis in the second week and a terrific final. I think I'm still a very good grass-court player, but now I try to build my year around all of the Grand Slams, not just Wimbledon."

Edberg has slowly stunted mastery of the hard-court game. He was 7-2 on grass this year, but he's 20-4 on hard courts.

"You get a true bounce on these courts," said Edberg, ranked No. 2. "I can really lean into my approach shots without worrying about the kind of bad bounce you often get on grass. It's also easier to move on — you don't have to get as low or bend as much. And because I move pretty fluently, the hard courts don't punish my body as badly as they hurt some other guys."

On Friday, Boris Becker withdrew from the Hamlet Cup and a quarterfinal matchup with Ivan Lendl after he was stricken with a stomach virus. The Associated Press reported.



Golden State coach Donn Nelson sporting a Lithuanian T-shirt.

## Lithuanian Squad Grateful to the Dead

The Associated Press

**NEW YORK** — Reebok dropped \$25 million on Dan and Dave, the U.S. decathlon hopefuls, Nike paid muchas pesetas to promote Sir Charles and Air Jordan. So who came away with the best return on their Barcelona investment?

The Lithuanian basketball team, which didn't spend a penny.

The tie-dyed shirts worn by the basketball bronze-medalists were paid for by the Grateful Dead, the veteran rock band. Featuring a slant-dunking skeleton, the shirts are the hottest-selling item to emerge from the Summer Games.

Thousands of Americans are scarfing up T-shirts like those worn at the Olympic medal ceremonies by the Lithuanian team.

"Everybody wanted one," Dead spokesman Dennis McNally said. "A small-time little thing, a small gesture from the heart, has become a fad."

While the Dream Team was busy obscuring its warm-up logo with original and American flags, the Lithuanians proudly accepted their bronze medals in multi-colored outfits more suited to Jerry Garcia than Larry Bird.

"All those American millionaires covering up their logos, and then these guys," McNally said. "We felt great. Obviously, it was a gas."

Journalists in Barcelona paid \$50 to get extras, while Lithuanian team members got offers of up to \$150 for the shirts off their backs.

The shirts sell in New York for \$30, a third of which goes to the Lithuanian Olympic Committee.

The team's merchandising arm received 20,000 orders since the shirts went on sale last week.

A flood of callers to the NBA's Golden State Warriors, where Lithuanian leader Sarunas Marciulionis plays, knocked out the switchboard last week. Ticketmaster, which is also selling the T-shirts, reported more than 5,000 orders in 48 hours.

What attracted the Dead to the tiny ex-Soviet republic? (Marciulionis was introduced to the Dead at a Detroit concert.)

"The Grateful Dead are about celebration and freedom," McNally said. "It was utterly appropriate — this small country, emerging from the shadows after 54 years. What could be better than connecting with us?"

## Jimmy vs. Martina: A Game of Feet

The Associated Press

**NEW YORK** — Jimmy Connors picked no flowers, as Bobby Riggs once did. Instead, he politely pulled out a chair for Martina Navratilova, who responded graciously as she sat down. "Thank you so much."

"So began the symbolism of Battle of the Sexes III, a glitzy promotion for the Sept. 25 match in Las Vegas that picks up where Riggs and Bille Jean King left off 19 years ago.

Riggs flustered Margaret Court with flowers in the first of these scams, then got his comeuppance against King in a match that probably did more to boost tennis' popularity than any since.

Some folks figured a few bucks could be made on another male-female tennis thing, and they're probably right.

Connors, never one to shy away from a high-priced exhibition, liked the idea of a \$500,000 winner's

prize for the best-of-three set match. Navratilova, along with Chris Evert, the only players to win more titles than Connors, also readily agreed — if she got a handicap.

They haggled a little — "She wanted the whole court, from fence to fence," he said — then settled on giving her two extra feet (0.6 meter) on each sideline, or half the width of the doubles area, and limiting him to one serve.

"I know Jimmy would beat me with regular rules," Navratilova said. "Jimmy is still beating the top men's players."

Navratilova and Connors are taking the money seriously — they had a brief tug of war with a fake winner's check during the photo op. They also see this match, pitting two fiery champions who know how to play to the crowd, as another opportunity to raise interest in tennis.

"It'll be fun and good entertainment," Navratilova said.

Some bettors apparently are taking the match very seriously, according to a spokesman for best Oceans Palace. Total wagering already has exceeded all the bets taken in Las Vegas for Wimbledon, with Connors going from an early 9-2 favorite to a current 7-2. Navratilova's recent victory over Monica Seles seems to have sturred sentiment for her. The odds on both winning the U.S. Open stand at 300-1.

"That's probably 200-1 for him and 10-1 for me," Navratilova said. Connors warned that no one should waste mooney betting against him.

## U.S. Horse Racing Series Falts in Second Year

By Andrew Beyer

Washington Post Service

**DEL MAR, California** — The first American Championship Racing Series came to a perfect climax here last year. Farma Way and Festin, two rugged competitors, had clobbered the country to run against each other and they met for the final time in the Pacific Classic at Del Mar, where Farma Way earned a \$750,000 bonus for best overall performance in the competition.

The 10-race series had done just what its creator, Barry Weisbord, had hoped it would. It gave made-for-television continuity and dramatic structure to major stakes races for older horses. Widespread simulating created intense interest in these races among bettors who otherwise might never have seen them.

The American Championship Racing Series seemed to have established itself as an instant institution. But its second edition, which ends Sunday with the \$1 million Pacific Classic, demonstrates some of the problems inherent in a sport whose fragile stars can't show up for all the big events.

Best Pal was the country's top racehorse this year, but an injury knocked him out of the championship series by the spring. Sea Cadet, another early-season star, also was sidelined. Strike the Gold has already clinched the title in his absence, and he has not come to Del Mar. Even so, the competition has produced the country's best thoroughbred performances of 1992 and some moments of high drama.

The main disappointment has been the fragility of racetracks' support for the innovative program.

Charles Cella, president of Oaklawn Park, complained that the overhead costs of the series are too high; he is pulling the Oaklawn Handicap out of the running. Santa Anita is supposedly dropping out too — the track prefers to run its \$1 million Santa Anita Handicap on a Sunday instead of a Saturday.

Rockingham Park canceled the New England Classic this summer because its business was suffering and it couldn't put up the \$500,000 purse. The Arlington International chose not to join, and seemingly got into a suit when a series race last year upstaged the telecast of the Arlington Million. Now the Chicago track will simulcast a third-rate attraction rather than a series event like the Suburban Handicap.

Weisbord is disappointed by these snubs. He believes the series is successfully addressing some serious problems.

"If a bunch of business students analyzed the sports business to determine why racing hasn't kept pace over the last 40 years," he said, "they'd probably come to two main conclusions. One: racing did not make itself visible on TV in a structured format. Two: racing did not move its stars around the country."

A series for sprinters would be a natural. Six-furlong specialists don't have many money-making opportunities, and it would be relatively easy to lure them to tracks around the country in pursuit of big bucks.

Moreover, virtually every track has its own star speedball, so a national series could create interesting inter-sectional rivalries.

He contrasts racing's failures with other sports' successes. The National Basketball Association's television exposure makes Michael Jordan a superstar, but his visibility does not merely benefit the Chicago Bulls.

## BOOKS

### THE TURNING POINT:

The Abstract Expressionists and the Transformation of American Art

By April Kingsley. 416 pages. \$30. Simon & Schuster, 1230 Avenue of the Americas, New York, New York 10020.

Reviewed by Thomas West

ALREADY by the early 1950s, while many of the movement's painters and sculptors were still evolving, two famous critics had defined Abstract Expressionism along fundamentally opposing lines.

For Clement Greenberg, advanced American art represented an essentially formal revolution, a new way of conceiving the ground or surface of a painting. Its artists were in this sense heirs of the geometrical abstract art that had grown out of Cubism and that had reached one apex in the simplified canvases of Piet Mondrian. But according to Harold Rosenberg, the Abstract Expressionists were more concerned with action than with aesthetics or form, and he likened their works to unconscious outpourings that were existential events, not traditional paintings. Most critical debate has been colored by these two interpretations ever since.

To her credit, April Kingsley has avoided these and many other interpreta-

tions of Abstract Expressionism. By plotting the evolution of 18 core artists month by month during the pivotal year of 1950, Kingsley reexamines their personalities and visions in a way that had not been done since the painters Robert Motherwell and Ad Reinhardt published "Modern Artists in America," a series of discussions among artists, writers and intellectuals on the state of art and culture in 1949 and 1950. At its best, "The Turning Point" sparkles with the bite of live debate. This is due not only to extensive interviewing of the artists, wives and friends who survived into the 1980s but also to a skillful winnowing of anecdote and gossip.

Although the ingredients of what became known as Abstract Expressionism were all in place by the mid-1940s, the key years of the movement are usually thought to be 1947 to 1952. By this period most of the European influences — Picasso, Matisse, Miró, Masson, Matta — had disappeared or been thoroughly transformed in the work of the New York artists. Group discussions at Studio 35 in 1949 and 1950, as edited by Motherwell and Reinhardt, produced a kind of manifesto that the press fleshed out with articles about a strange kink in contemporary culture that boasted American roots and a bumptious dramatic personality.

The Abstract Expressionists all shared a belief in art as a kind of salvation. This belief permeated their often childish anti-social behavior and their incredibly sentimental statements. Each artist felt that art

was a force for good and that art not only enhanced but also defined mankind. The most aloof (Clifford Still and Richard Poussito-Dart) and the most violent (Jackson Pollock) and the most despairing (Mark Rothko and Philip Guston) of the Abstract Expressionists felt themselves to be engaged in a work of redemption.

Kingsley, who is a New York critic and curator, presents some familiar and portentous claims: "The New York artist was winging it, inventing art all over again after his or her own image and inventing the language with which to describe the new art. . . . The artists invented their personas along with their art because there was no established image of an artist for them to assume in New York the way there was in Paris. They weren't the next wave of anything — they were an entirely new era."

This is both true and false. However variously they embodied the trait, the New York artists were all romantics — often schmaltzy romantics — who believed unquestioningly in art's sacred power. They were in this sense the last installment of a noble tradition that ended around 1960 when Abstract Expressionism was overtaken by Pop Art. But these artists were also innovators who redefined the basic nature of painting and put American art on the world stage for the first time.

Thomas West, former editor-in-chief of the Paris-based art International, wrote this for The Washington Post.

## BRIDGE

By Alan Truscott

IN bridge and other sporting activities, Pakistan and India are stern rivals. Pakistan, thanks largely to Zia Mahmood, has almost always won the direct bridge encounters between the two countries. When the diagrammed deal was played, he and his teammates were in Calcutta. His opponents, using a strong club system, advanced to six spades, a slam that comes home easily against routine defense.

With the heart jack filling in the hole in North's suit, South succeeds easily after a passive lead in a major suit. He unblocks the heart jack, draws trumps and discards his diamonds on dummy's hearts. Then a club trick is conceded to West.

If a low diamond is led to the ten and ace, West's king can be ruffed out and South takes five trump tricks, five heart tricks and a trick in each minor suit. In effect, dummy's hearts provide discards for four of South's clubs.

But Zia as West diagnosed a singleton diamond in the North hand and played the diamond king, the only lead to defeat the contract. This could have been disastrous, for North might have had a singleton ace, but that seemed unlikely. And the king lead would work better than a low diamond if South held A-J-10.

NORTH (D)		
♠	A Q	10 4
♥	K 7 5	8 3 2
♦	K 7 6 3	A 8 5 4
♣	K 8 7 5	8
EAST		
♠	J 7 6	8 3 2
♥	A 8 5 4	8
♦	10 9 5 2	8
♣	J 2	A 3 10 6 3

Both sides were vulnerable. The bidding: North: 1♣, 2♥, 3♥, 4♥, 4NT, 5♣. East: 1♠, 2♠, 3♠, 4♠, 5♠, 6♠. West led the diamond king.

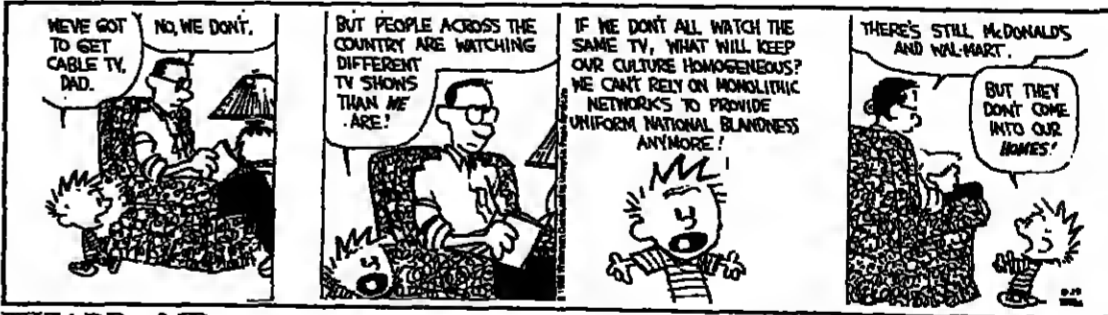
## PEANUTS



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## CALVIN AND HOBBS



## WIZARD of ID



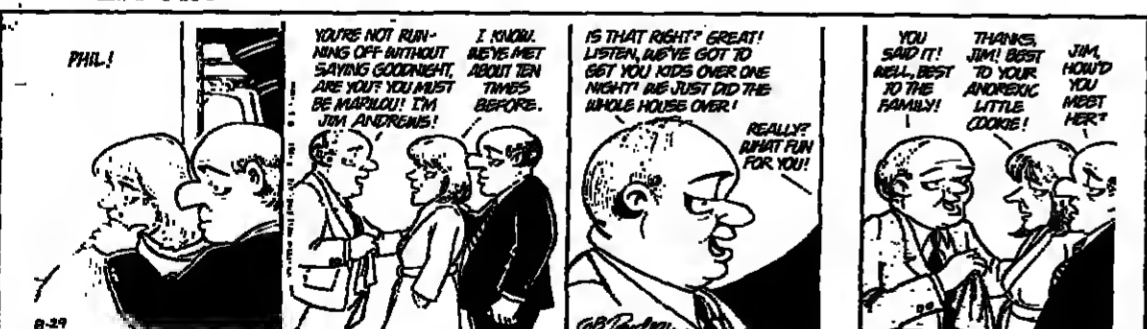
## REX MORGAN



## GARFIELD



## DOONESBURY



## DENNIS THE MENACE



## JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

VALGE

NIROY

EDDOMO

ROOHRRI

Print answer here: A

Yesterday's: Jumbles: GRUE CURVE EXPOSE MENTAL. Answer: What a person might go into, unless he learns to speak for himself. REVERSE.

## BLONDIE



سكرا من الامم



# SPORTS BASEBALL

## Mets Choose Giveaway Over Going for Broke

By George Vecsey  
New York Times Service

NEW YORK — Excuse me, Al Harazin, but the recent trade agreement among the United States, Canada and Mexico did not necessarily mean you had to ship David Cone north of Lake Ontario. What's next? Is Bobby Bonilla going to Veracruz? Is this the good-neighbor policy gone amok?

Let's go over that again, doctor. Tell me how the rich clubs from the big cities are going to spend all their TV money to amass the best players. If that's true, why are the Dodgers currently skulking around at the bottom of their division? And whatever became of the White Sox and the Cubs? Oh, and yes, how does that explain the present reduced circumstances of the Yankees and the Mets?

The state of the Yankees we can lay directly upon a burnt-out case named Steinbrenner who got himself disappeared for several years for acting like a Steinbrenner. But the Mets,

doctor. What can we say about the Mets? The management of the Mets told us Thursday just how bad things are when they shipped David Cone out of town, out of the league, out of the country. He is one of the best pitchers around, and they gave up on him.

To be fair to the Mets, the politics of free agency meant that Cone and his agent would have treated the Mets like just another prospective bidder come next winter. But there is often a possibility of inertia that makes it easier to keep a good player than find another one somewhere else.

The people who run the Mets wring their hands and said, "Oh, dear me, we can never pay David Cone all that money over the next five years." So they pulled one of those weasel waiver deals and sent Cone to Toronto for a second baseman named Jeff Kent and a player to be named, who will probably not turn out to be Grover Cleveland Alexander or George Herman Ruth, or even Leonard Kyle Dykstra.

There are a lot of people not even using their current season tickets who are just stunned at watching the Mets disintegrate before their eyes. There was nothing anybody could do about Hernandez and Carter getting old, or Mookie losing a step, but there must be some institutional death wish loose in the Mets' organization, like a computer virus.

The Dykstra deal told me this organization was confused. They traded Lenny, who actually loves to play baseball, along with Roger McDowell, for a moper named Samuel, and things have not been the same.

That was dumb. Letting Strawberry go after the 1990 season was more dumb than it was cheap. The Cone deal is cheap. Cheap is worse than dumb. Dumb is innocent. Cheap is calculated.

The only thing I can possibly say in defense of the Mets is they are trying to appeal to the Bush-Quayle platform with the so-called family values. Perhaps the Mets were put off by the recent public suggestions that Cone, a bachelor, gets around a little in his free time. He is also inclined to lose his mind for a few seconds here and there.

But nobody's perfect. Cone over let his various wanderings stop him from becoming a pitcher that any franchise ought to want to keep. They let Cone go in August because they did not have the heart to try to sign him over the winter.

PERHAPS they are still shellshocked from making the highly defensible Sabershand deal, and then watching his finger fall apart, or watching Bonilla stumble out of the gate, or having Howard Johnson deteriorate, piece by piece, in center field.

Instead of hunkering down and protecting what they had, they got rid of a very good pitcher whom they had stolen from Kansas City back when the Mets' organization was the stealer rather than the stealer.

The Mets' lack of courage tells me some not very good things about the future of this club. Scared by what happened with their expensive team this year, they are going to try to make it with young players and retrade until they get lucky.

They will still attempt to get fans to come out for the rest of the season and spend terrible prices for sugar water and chemicalized meat and the sponsor's beer. They will still attempt to sell season tickets for next season, but they have sent a very distinct message: Paradox the Dust, Remodeling in Progress, We Hope, Cayman Empire, Let the Buyer Beware.

Before I go out and rent enough videotapes to get me to the playoffs, doctor, please tell me the part about the rich television markets dominating baseball. Oh, yes.



The face of Blue Jay Dave Winfield said it all as he was tagged out at home plate in the fourth inning by Brewers' catcher B.J. Surhoff.

## Experience Lets Jays Widen Gap Over Milwaukee

United Press International  
The Blue Jays' old man, 40-year-old Dave Winfield and 37-year-old Jack Morris, helped Toronto take another step toward the American League East title.

Winfield slugged a three-run homer and Morris tied for the league lead with his 17th victory Thursday night, lifting Toronto to a 5-4 victory over the Milwaukee Brewers in Toronto.

The Blue Jays extended their lead over idle Baltimore to 2½ games while Milwaukee fell to 5½ back with its fifth straight loss.

Winfield's sixth-inning homer snapped a 1-1 tie and Morris scattered four hits while giving up one run over seven innings. Duane Ward pitched the eighth and Tom Henke worked the ninth for the save.

"I was able to make the pitches I needed to make to keep it close," Morris said. "I made those pitches and let the players be the stars and Dave was the star tonight."

Morris' win his third straight start to match Chicago's Jack McDowell for the AL lead in victories.

Milwaukee's Jaime Navarro gave up five runs on five hits and two walks over seven innings.

Devon White walked leading off the Toronto sixth and took second on Roberto Alomar's single. Expecting a double steal, Navarro overthrew into center field trying to pick off White, sending the runners to second and third. With one out, Winfield drilled his 22nd homer of the season for a 4-1 lead.

## Sanders Stays a Brave

The Associated Press  
ATLANTA — The Atlanta Falcons will have to wait a while longer for Deion Sanders. The Pro Bowl cornerback has decided to stick it out for the rest of the baseball season as an outfielder with the Atlanta Braves.

Weeks of negotiations between the two clubs ended in favor of the Braves on Thursday night during a meeting between Braves general manager John Schuerholz and Sanders' agent, Eugene Parker.

Sanders will miss the Falcons' first six regular season games and as many as eight if the Braves make the playoffs and World Series.

"In essence, he remains a full-time baseball player for the remainder of the season," Schuerholz said after the meeting.

Taylor Smith, president of the Falcons, said, "I don't know where else we could have gone. Apparently it just wasn't satisfactory to them. We gave it our best effort but it just wasn't going to fly."

Parker had been trying to work out a deal that would have had Sanders play both sports at the same time — appearing with the Falcons on Sundays and with the Braves the rest of the week.

In San Francisco, meanwhile, 49er coach George Seifert said Steve Young would be the team's starting quarterback. Young, 3-3 as a starter last season, won the job over Steve Bono and still-injured Joe Montana. The 49ers visit the New York Giants in their regular-season opener.

## O'Brien Shines as Jets Go 5-for-5

New York Times Service  
On a muggy night just right for fighting, the New York Jets got a scrap from the Eagles and a scrappy performance from a quarterback everyone had counted on two weeks ago as they posted a 22-13 victory in Philadelphia.

The victory capped an undefeated preseason for the Jets (5-0), who last accomplished that feat with a 4-0 mark in 1966.

There were two minor skirmishes and one brawl in the first half. No players were ejected.

Browning Nagle, who still appears to have the starting job sewn up, started for the Jets and played four series, but he couldn't get much moving. He completed 4 of 7 pass attempts for 58 yards and guided the Jets to one score — a 36-

Candy Maldonado gave Toronto a 5-1 advantage when he led off the seventh inning with his 17th homer. Still, the Blue Jays had to sweat out a late Brewers' rally.

With two outs in the eighth, Darryl Hamilton reached base on a throwing error and Paul Molitor singled. Franklin Stubbs then doubled home both runs to make it 5-3.

Greg Vaughn brought Milwaukee to within one run when he homered off Henke in the ninth. "They were in it until the very end," Winfield said. "They've been a force all year and traditionally they heat up down the stretch, you can't take them for granted."

In other games, The Associated Press reported: Royals 7, Rangers 2: At Arlington, Texas, George Brett hit three singles and drove in two runs as Kansas City beat Nolan Ryan and the Rangers.

Brett has 1,509 runs batted in and is tied with Mickey Velez for 33rd on the all-time list. His 2,965 hits moved him past Sam Crawford for 19th place on the all-time list.

Ryan lost his fifth consecutive decision, allowing seven runs in seven hits in 4½ innings.

Yankees 5, Twins 0: Melillo Perez pitched a six-hitter for his first shutout of the season as visiting New York beat Minnesota for the Yankees' fourth straight victory.

Perez walked one and fanned nine, moving ahead of Roger Clemens for the AL lead with 174 strikeouts. It was Perez's ninth complete game of the season, but only his second complete-game victory.

Randy Velarde and Bernie Williams each drove in two runs. Pat Kelly hit his sixth homer in the second off loser David West.

Mariners 6, Indians 2: Edgar Martinez extended his hitting streak to 13 games and drove in the go-ahead run as Seattle won on home, beating Cleveland.

Martinez is the top hitter in the American League, went 1 for 5 and is hitting .342. He hit his major league-leading 41st double in the sixth inning to snap a 1-1 tie.

Astros 5, Cardinals 1: In a National League game, Brian Williams limited St. Louis to five hits over eight innings as Houston won at home.

Williams struck out three, walked three and only twice allowed two runners on base at the same time.

Donovan Osborne struck out the first five batters he faced and retired the first nine in order before Craig Biggio doubled leading off the fourth inning and scored on Ken Caminiti's double. The Astros got another run in the inning on Eric Anthony's grounder.

Herbert completed 10 of 14 passes for 100 yards in the first half to help New Orleans (3-1), Miami, which had been averaging 25 points per game, finished 3-2.

Chargers 30, Rams 19: At San Diego, John Carney kicked three field goals — including a go-ahead 50-yarder — and Stan Humphries threw two second-half touchdowns passes to pace the Chargers, (2-2).

Humphries completed 11 of 16 passes for 118 yards. Los Angeles ended the preseason 3-1.

San Antonio, Texas: The San Antonio Spurs won their 10th straight game, beating the Dallas Mavericks 101-87.

## Senna Hints at a Year Off From Racing

Agence France-Press  
SPA-FRANCORCHAMPS, Belgium — Ayrton Senna indicated he may sit out the 1993 Formula One season on Friday when he said he will not drive for Williams Renault next year.

Senna, last year's driving champion, said Williams Renault already has a contract with Alain Prost, the former champion. Nigel Mansell, who has taken this year's title, also drives with the Anglo-French team.

"A clause in a contract tying Alain Prost to Williams prevented me from joining the team," Senna said, adding that he now considered himself "out of Formula One."

His announcement paves the way for a potentially difficult Mansell/Prost reunion. The two men crossed swords at Ferrari in 1990, and the Englishman made some uncomplimentary remarks about Prost last week.

Senna's announcement also leaves his own McLaren Honda team facing an uncertain future. Although McLaren team manager Ron Dennis is anxious to continue, Honda have yet to decide whether to stay in Formula One next season. Senna has already turned down an offer to join Ferrari.

"Frank Williams twice tried to change this situation but a partner refused," Senna said of his talks with the Williams team.

"Last week, Frank called me twice to say that he might find a solution, but a half-an-hour later, he contacted me a third time to say he hadn't found one — but added, 'Wait, you'll have an answer on Tuesday.'"



The trade for David Cone went to the head of one Toronto fan.

## SIDELINES

### Sevilla Gets Deadline on Maradona

NAPLES (Reuters) — The International Football Federation has told Spanish club Sevilla they should talk to Napoli if they are serious about signing Diego Maradona, the Italian club said Friday.

Napoli spokesman Luigi Amati said FIFA had sent a fax to both clubs through their respective football associations telling Sevilla to open negotiations with Napoli for the former Argentine captain by Sept. 2.

FIFA said that if the Italians had not reached some agreement with Sevilla by Sept. 3, Maradona's contractual dispute with Napoli may have to be settled by their players' status committee.

### Devils Send Goalie Burke to Whalers

HARTFORD, Connecticut (AP) — Sean Burke, who went from being the New Jersey Devils' goaltender of the future to a minor leaguer sitting out in a yearlong contract dispute, was traded to the Hartford Whalers on Friday.

Burke was sent to the Whalers with defenseman Eric Weinreich for forward Bobby Holik, a second-round draft pick in 1993 and a conditional pick in 1994.

### For the Record

Thomas Hessler, the German forward of AS Roma, will miss the initial rounds of the Italian first-division campaign following a knee injury that will sideline him for about one month, the team reported. (AP)

Teddy Sheringham, the Nottingham Forest striker, was traded in the Tottenham Hotspurs for £2.1 million (\$4.2 million). Tottenham has been struggling to score goals since the departure of Gary Lineker. (Reuters)

Stephen Hendry, Scotland's snooker world champion, staged a remarkable comeback against his English arch-rival, Steve Davis, to reach the final of the Kent Classic in Beijing. Hendry trailed Davis 3-0, but then won five frames in a row. (AFP)

### Quotable

David Cone, on his trade from the Mets to Toronto: "The Mets have definitely taken a step backwards. If you want to call letting your most consistent and durable pitcher go, and a guy who can definitely deal with the New York atmosphere, thrive and actually like it, yeah I would say they made a mistake."

Joe Bugel, coach of the Phoenix Cardinals, to rookie quarterback Tony Sacco, who complained that NFL footballs slip out of his hand: "Well, if you can't throw the NFL ball, you might as well quit, because that's the ball we use."

## SCOREBOARD

### BASEBALL

#### Major League Standings

AMERICAN LEAGUE			
East Division	W	L	Pct.
Toronto	70	52	.570
Baltimore	67	55	.549
Milwaukee	47	75	.385
Detroit	41	81	.335
New York	38	84	.310
Cleveland	35	87	.283
Boston	33	89	.265
West Division			
Oakland	74	51	.591
Minnesota	70	56	.556
Chicago	67	59	.531
Texas	63	63	.500
California	58	68	.460
Kansas City	55	71	.435
Seattle	53	73	.420
NATIONAL LEAGUE			
East Division	W	L	Pct.
Pittsburgh	72	52	.579
Montreal	69	55	.556
Chicago	63	61	.510
St. Louis	60	64	.484
New York	56	68	.449
Philadelphia	51	74	.406
West Division			
Atlanta	74	50	.597
Cincinnati	71	54	.565
San Diego	68	58	.541
San Francisco	69	65	.514
Houston	67	67	.500
Los Angeles	53	74	.417

#### Thursday's Line Scores

AMERICAN LEAGUE	W	L	Pct.
Milwaukee	5	0	1.000
Toronto	4	1	.800
Chicago	3	2	.600
Minnesota	2	3	.400
Seattle	1	4	.200
San Diego	0	5	.000
NATIONAL LEAGUE			
W	L	Pct.	
Atlanta	5	0	1.000
San Francisco	4	1	.800
Los Angeles	3	2	.600
San Diego	2	3	.400
Philadelphia	1	4	.200
St. Louis	0	5	.000

#### TRANSACTIONS

**BASEBALL**  
**AMERICAN LEAGUE**  
 SEATTLE—Extended contract of Roger Josephovich, vice president of scouting and player development, through 1992 season.  
 NATIONAL LEAGUE  
 ATLANTA—Recalled Mark Walters, pitcher, from Richmond, International League.  
 FLORIDA—Signed Josh Fustle, pitcher, to free-agent contract.  
 N.Y. METS—Traded David Cone, pitcher, to Toronto for Jeff Kent, infielder, and minor league player to be named later.  
**FOOTBALL**  
 NATIONAL FOOTBALL LEAGUE  
 CLEVELAND—Claimed Wayne Heistler, cornerback, off waivers from Cincinnati.  
 GREEN BAY—Waived Joe Faller, defensive back, to Denver contract.  
 L.A. RAIDERS—Signed Stacy Simmons, wide receiver.

#### SOCCER

**ITALIAN CUP**  
 Juventus 4, Fides Andria 0

**CRICKET**  
 SECOND TEST  
 Australia vs. Sri Lanka, First Day  
 Friday, 10:00 a.m. (Sri Lanka time)  
 Australia 1st Innings: 17-0

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BELGIUM	078 11-0010	GHANA	0191	LIBERIA	800 288	SPAIN	900 99 00 11
CZECHOSLOVAKIA	00-420-0101	GREECE	00-800-1311	LUXEMBOURG	0-800-0111	SWITZERLAND	030 795 611
DENMARK	800-0010	HUNGARY	00-800-0111	NETHERLANDS	050-122-9111	SWITZERLAND	155 00 11
EGYPT (Cairo)	510 0100	IRELAND	1-800-550 000	NORWAY	050-12011	TURKEY	9-9-800 2277
FINLAND	800-100 10	ISRAEL	177 100 2727	POLAND	0-800-450 0111	UNITED KINGDOM	0800 89 0011

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